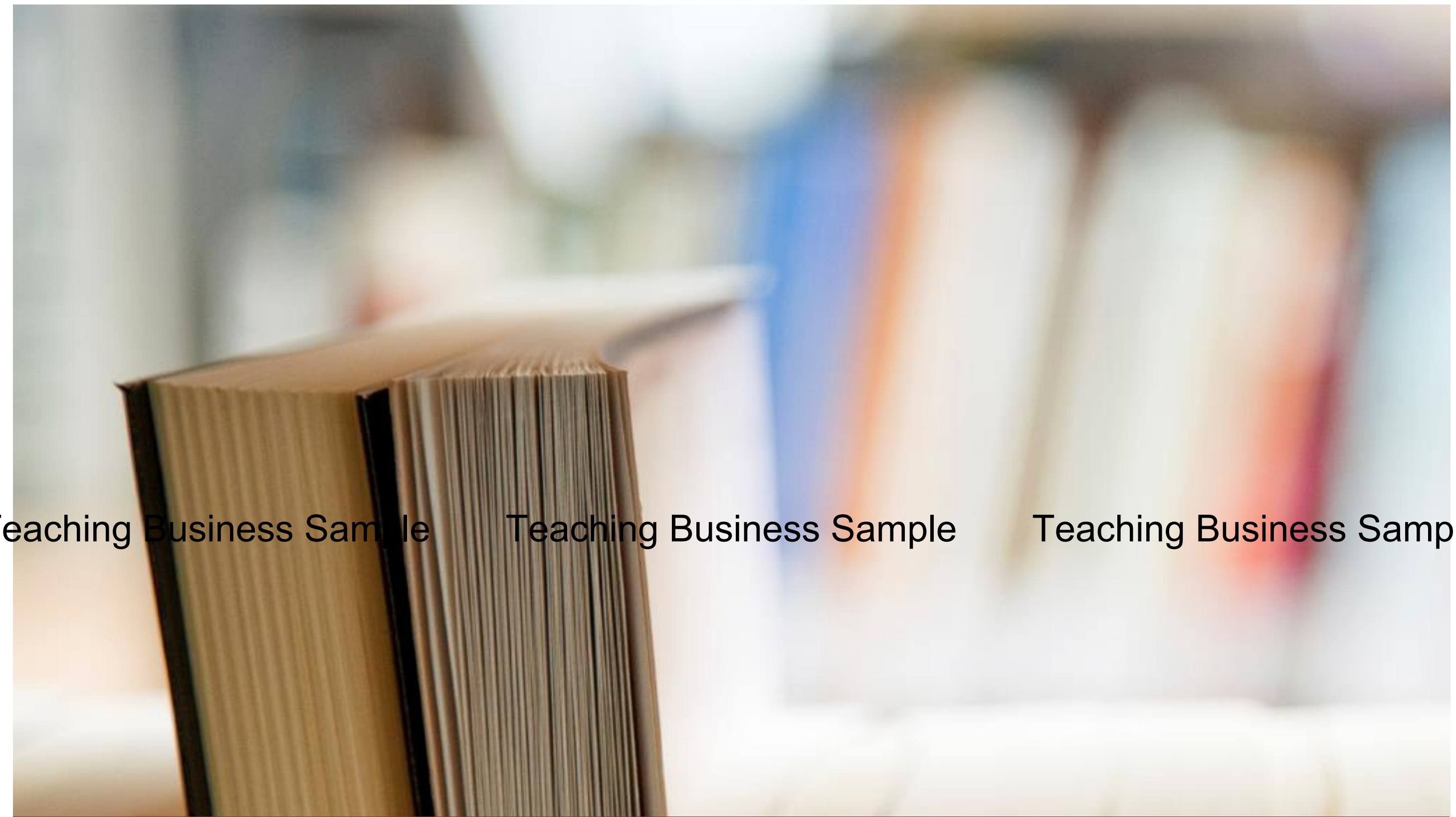
Teaching Business
A Level and GCSE Resources



Edexcel GCSE Business Theme 1 Worksheets

Investigating Small Business

Table of Contents

Worksheet

1

The Dynamic Nature of Business

Fill in the Gaps Read through the text and fill-in the gaps with words from the box below.

The ________________ in which a business operate are constantly changing. Changes in __________________ are linked to new inventions such as the smart phone. These create new ______________________ for a business, as older products and services become _______________________ and are no longer wanted by consumers. Advertising on _______________ - _____________ is another example of a new development and has helped businesses interact with their ______________________ more effectively. ____________________ are people who spot ____________ in the market and develop new products to meet changing needs.

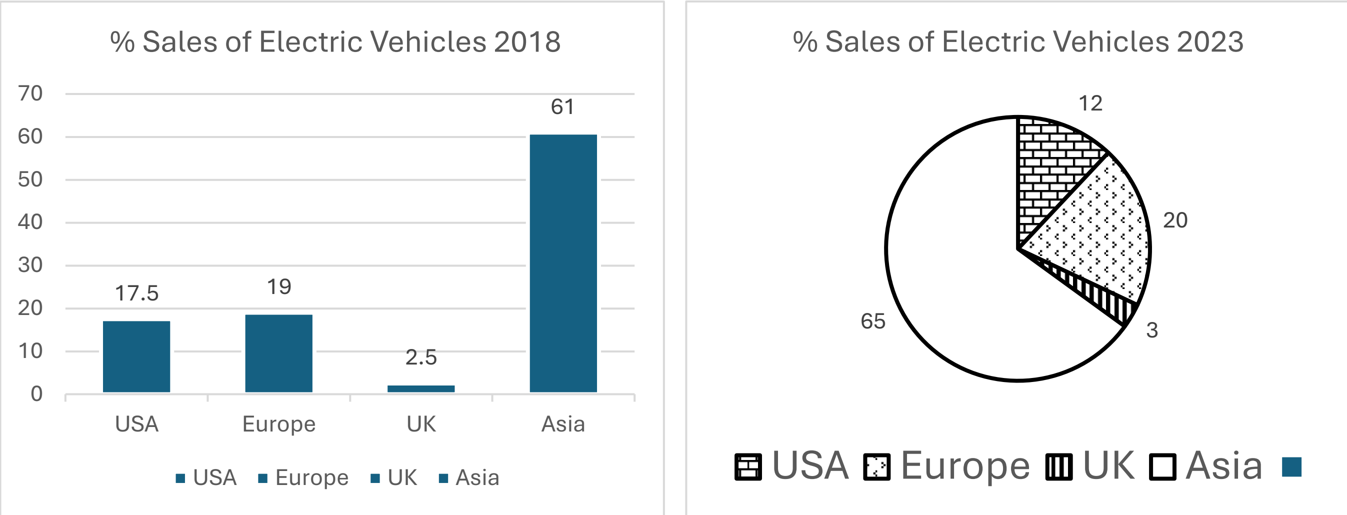
Missing Words				
	Online	Opportunities	Passengers	Business
	Entrepreneurs	Customers	Markets	Social Media
	Technology	Obsolete	Gaps	Profits

Pros and Cons Explain 3 benefits & drawbacks of changing technology for a business.

ADVANTAGES	DISADVANTAGES

Use the information in Figure 1 to answer questions 1-3.

Fig.1



[Sources: IEA, EV Volumes, and Statista]

1. Calculate the number of electric vehicles sold in Asian markets if global sales in 2018 were 2.1 million.

.... **Vehicles**

2. Calculate the percentage change in electric vehicles sales in the UK between 2018 and 2023.

.... **%**

3. Discuss the impact of changing consumer wants upon the electric vehicle market.

Multiple Choice

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒ .

1. Which **one** of the following products is now considered to be largely obsolete? (1)

Select **one** answer

- ☐ **A** Air pods
- ☐ **B** Typewriters
- ☐ **C** Smart speakers
- ☐ **D** 3D printing

2. Which **one** of the following is **<u>not</u>** a reason as to why new business ideas come about? (1)

Select **one** answer

- ☐ **A** Changes in what consumers want
- ☐ **B** Products and services become obsolete
- ☐ **C** Changes in technology
- ☐ **D** Changes in marketing

3. Which **one** of the following is an example of how new products come about? (1)

Select **one** answer

- ☐ **A** Adapting existing products
- ☐ **B** Changes in technology
- ☐ **C** Changes in what consumers want
- ☐ **D** Products and services becoming obsolete

4. Which **two** of the following are types of technology that can be used by consumers? (2)

Select **two** answers

- ☐ **A** Market Mapping
- ☐ **B** Venture Capital
- ☐ **C** Chat GTP
- ☐ **D** Crowd Funding
- ☐ **E** Satellite Navigation

Mix n' Match | Draw a line from the key term to its correct definition

Entrepreneur	Someone who buys and uses goods and services.
Consumer	The act of creating of new products or services.
Competitive Advantage	A good or service that is out of date.
Innovation	A feature of a business that allows it to stand out from its competitors.
Obsolete	An individual who sets up a business and takes on the risks in hope of profit.

Scenario: Analyse whether an entrepreneur should set up a new gaming café with Sony's PlayStation 5 devices, despite recent media reports suggesting that the games console is becoming obsolete. (6 marks)

Worksheet

2

Risk and Reward

Fill-in-The-Gaps Read through the text and fill-in the gaps with words from the box below.

________________ is the likely event of a negative event occurring such as a business ________________.

Despite all of the planning and preparation that an ________________________ might put into the start-up of their new business, there is no __________________________ that it will actually succeed. For businesses such as __________________________ and partnerships, this means that the ___________________ possessions of the entrepreneur are at risk if they cannot repay the _________________ of the business. An entrepreneur needs to carefully balance levels of risk against the potential _________________ .

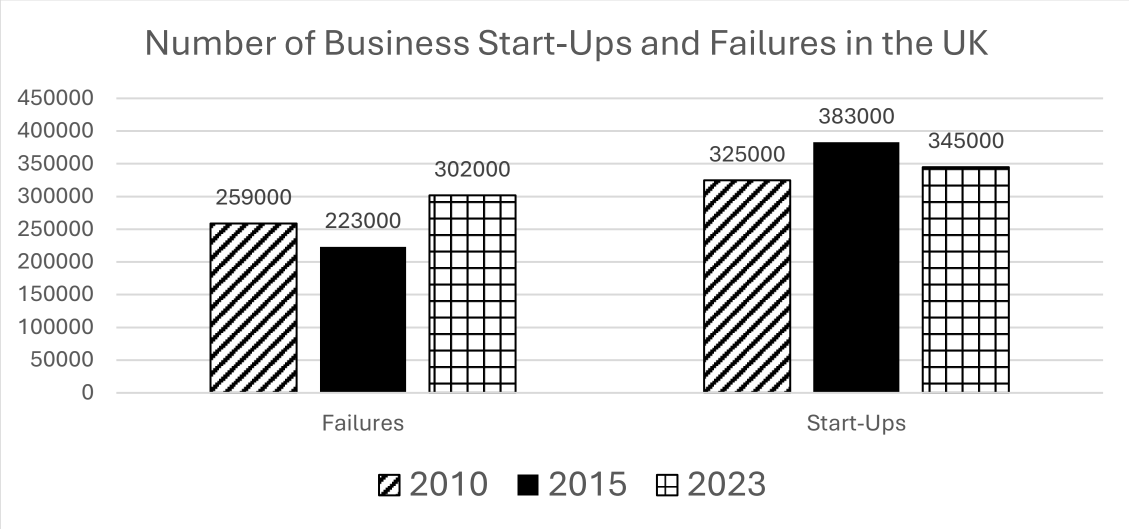
Missing Words				
	Rewards	Sole Traders	Franchises	PLCs
	Entrepreneur	Failure	Risk	Guarantee
	Debts	Rewards	Gaps	Personal

Pros and Cons Explain 3 benefits and drawbacks of starting up a small business.

ADVANTAGES	DISADVANTAGES

Use the information in Figure 1 to answer questions 1-3.

Fig.1



1. Calculate the percentage change in business failures between 2010 and 2023.

% Change

2. Calculate 2015's percentage share of overall business start-ups between 2010 and 2023.

.... % Share

3. Examine why 2023 might highlight a growing level of risk for entrepreneurs looking to start their own business in the UK.

True or False? Put a Line Through the Incorrect Response e.g. ~~True~~ or False

1. True or False: An entrepreneur's home could be lost if their start-up business fails.
2. True or False: Entrepreneurs dislike the independence that comes with setting up their own business.
3. True or False: A potential risk of starting a business is the possibility of financial loss.
4. True or False: A lack of job security is an example of a risk in starting a business.
5. True or False: Entrepreneurs take risks for no other reason than to achieve financial rewards
6. True or False: Risk is something that can be planned for and its effects minimised.
7. True or False: Financial planning is one method of reducing risk for an entrepreneur.
8. True or False: Market research guarantees business success and rewards for the entrepreneur.

Scenario: Discuss the impact upon a local entrepreneur if a large competitor enters the mobile phone accessories market with a range of cheaper products. (6 marks)

Wordsearch

Words could be horizontal, vertical, diagonal or backwards. 10 words to find.

A	S	Y	D	V	V	R	E	S	E	A	R	C	H	P
R	E	D	C	R	I	O	P	C	M	F	R	O	W	A
O	C	S	S	O	G	S	C	M	V	E	R	I	R	S
H	U	X	R	A	F	S	J	B	X	E	Y	D	E	N
V	R	Y	C	I	F	G	S	W	E	N	T	S	W	O
C	I	Q	T	W	S	T	Y	N	D	P	O	W	A	I
Q	T	I	U	F	A	K	E	N	E	W	N	O	R	T
P	Y	U	I	E	R	T	A	P	X	M	M	U	D	I
T	W	H	A	F	V	C	V	O	X	S	S	P	Z	T
I	E	G	W	A	Q	R	V	H	J	S	G	E	L	E
F	R	N	Q	E	S	D	I	P	V	M	E	T	L	P
O	E	N	T	R	E	P	R	E	N	E	U	R	Q	M
R	A	S	F	I	S	F	G	M	X	B	Y	S	W	O
P	M	E	V	O	R	T	O	I	P	H	R	F	O	C
P	C	E	C	C	W	E	R	S	A	V	E	J	I	P
L	V	W	I	N	D	E	P	E	N	D	E	N	C	E
K	S	H	Z	C	Y	T	Y	I	T	B	O	A	W	W
B	I	S	O	O	D	D	S	B	D	E	B	T	S	D
O	Y	G	U	D	F	S	Q	V	N	T	I	X	D	H
Q	T	F	A	I	L	U	R	E	R	I	G	H	J	Q

?

Words to find:

PROFIT SECURITY RISK

RESEARCH DEBTS FAILURE

INDEPENDENCE REWARD COMPETITION

ENTREPRENEUR

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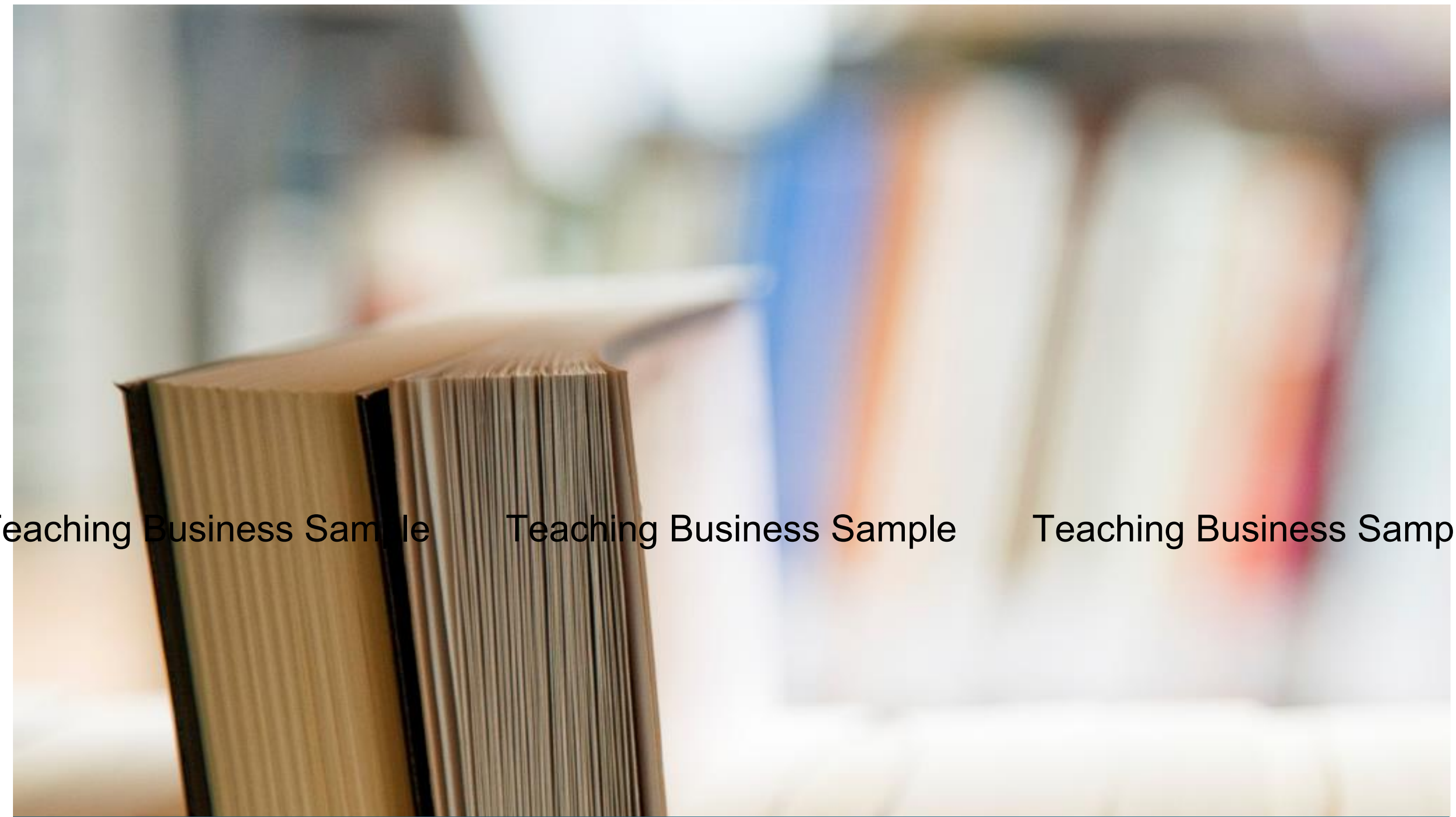

Edexcel GCSE Business Theme 1 Answer Book

Investigating Small Business

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Worksheet

1

The Dynamic Nature of Business

Fill in the Gaps	Read through the text and fill-in the gaps with words from the box below.

The **MARKETS** in which a business operate are constantly changing. Changes in **TECHNOLOGY** are linked to new inventions such as the smart phone. These create new **OPPORTUNITIES** for a business, as older products and services become **OBSOLETE** and are no longer wanted by consumers. Advertising on **SOCIAL-MEDIA** is another example of a new development and has helped businesses interact with their **CUSTOMERS** more effectively. **ENTREPRENEURS** are people who spot **GAPS** in the market and develop new products to meet changing needs.

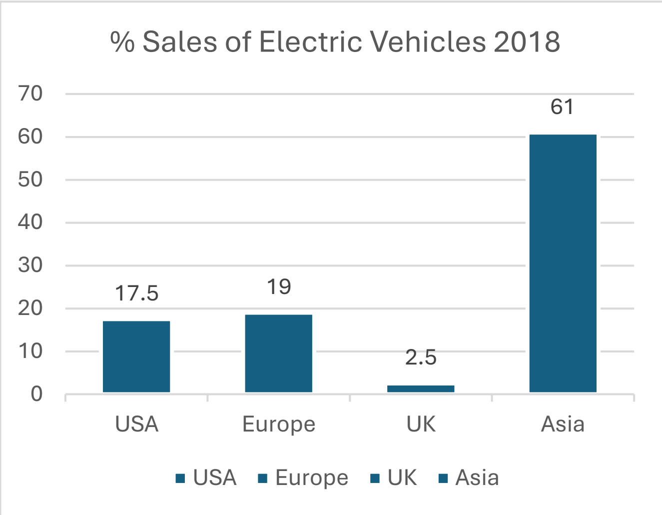
Missing Words				
	~~Online~~	Opportunities	~~Passengers~~	~~Business~~
	Entrepreneurs	Customers	Markets	Social Media
	Technology	Obsolete	Gaps	~~Profits~~

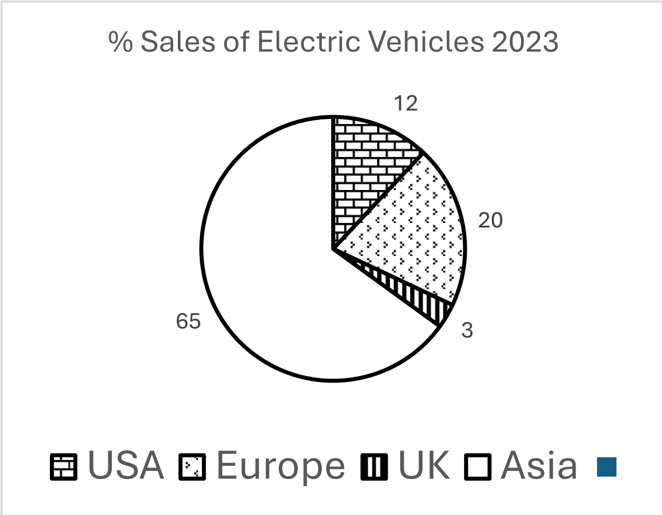
Pros and Cons	Explain 3 benefits & drawbacks of changing technology for a business.

ADVANTAGES	DISADVANTAGES
The development of new technologies create new market opportunities for a business. Technology might help to lower business costs by helping to raise levels of productivity and leading to improved efficiency. It can become a source of competitive advantage if they can patent a new technology that they themselves create.	Changing technology is not cheap and requires a significant and ongoing investment by business. Staff will need training in use of the technology. Old technology now becomes obsolete which means there is a risk of losing market share to competitors who are faster to adapt.

Use the information in Figure 1 to answer questions 1-3.

Fig.1





[Sources: IEA, EV Volumes, and Statista]

1. Calculate the number of electric vehicles sold in Asian markets if global sales in 2018 were 2.1 million.

Asian EV sales = 61%

Total market sales = 2 100 000 vehicles

2 100 000 / 1.61 = 1 304 348 EV sales in Asia (Nb. This is rounded to nearest whole vehicle)

2. Calculate the percentage change in electric vehicles sales in the UK between 2018 and 2023.

UK EV sales in 2018 = 2.5%

UK EV sales in 2023 = 3%

Difference = 3 – 2.5 = 0.5 Therefore: (0.5 / 2.5) x 100 = 20% growth

3. Discuss the impact of changing consumer wants upon the electric vehicle market.

Growing consumer awareness of global warming, has prompted many people to look at alternatives to petrol and diesel vehicles in an attempt to lower their carbon footprint. This has led to a fall in demand for traditional vehicle sales, meaning manufacturers such as Ford are now making a greater number of electric vehicles.

At the same time, it has created market opportunities for new competitors such as Tesla to fill the gap in the market for a mass-produced EVs. This has led to many innovations such as longer-lasting electric batteries, driverless vehicles and the growth of charging stations and touchscreen technology. However, this has also meant the decline of the traditional car industry with a gradual loss of jobs as this technology becomes obsolete.

Multiple Choice

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒ .

1. Which **one** of the following products is now considered to be largely obsolete? (1)

Select **one** answer

- ☐ **A** ~~Air pods~~
- ☐ **B** Typewriters - (these were very commonly used up until the late 1980s)
- ☐ **C** ~~Smart speakers~~
- ☐ **D** ~~3D printing~~

2. Which **one** of the following is **not** a reason as to why new business ideas come about? (1)

Select **one** answer

- ☐ **A** ~~Changes in what consumers want~~
- ☐ **B** ~~Products and services become obsolete~~
- ☐ **C** ~~Changes in technology~~
- ☐ **D** Changes in marketing – (marketing can promote change but does not cause it)

3. Which **one** of the following is an example of how new products come about? (1)

Select **one** answer

- ☐ **A** Adapting existing products – (the others are reasons WHY change comes about)
- ☐ **B** ~~Changes in technology~~
- ☐ **C** ~~Changes in what consumers want~~
- ☐ **D** ~~Products and services becoming obsolete~~

4. Which **two** of the following are types of technology that can be used by consumers? (2)

Select **two** answers

- ☐ **A** ~~Market Mapping~~
- ☐ **B** ~~Venture Capital~~
- ☐ **C** Chat GTP - (Open AI's platform is a commonly used form of artificial intelligence)
- ☐ **D** ~~Crowd Funding~~
- ☐ **E** Satellite Navigation - (Consumers use it in their cars and smart devices)

Mix n' Match Draw a line from the key term to its correct definition

Entrepreneur	Someone who buys and uses goods and services.
Consumer	The act of creating of new products or services.
Competitive Advantage	A good or service that is out of date.
Innovation	A feature of a business that allows it to stand out from its competitors.
Obsolete	An individual who sets up a business and takes on the risks in hope of profit.

Scenario: Analyse whether an entrepreneur should set up a new gaming café with Sony's PlayStation 5 devices, despite recent media reports suggesting that the games console is becoming obsolete. (6 marks)

The purchase of enough PS5 consoles to help establish the cyber gaming café will be a big expense for the entrepreneur. The technology has already been out in the market now for several years and given the dynamic (fast changing) nature of the technology market, it is quite likely that a replacement will enter the market that makes the PS5 obsolete. This would be a significant problem for the entrepreneur as their customers will be expecting the latest gaming technology and so they might be forced to reinvest yet again in the new technology. This would put a lot of pressure on their cash flow and might require the entrepreneur to borrow money and put the business into debt.

Perhaps they should delay the café until the future direction of the market becomes clearer but this is also a risk as they could miss out on a gap in the market.

Worksheet

2

Risk and Reward

Fill-in-The-Gaps Read through the text and fill-in the gaps with words from the box below.

RISK is the likely event of a negative event occurring such as a business **FAILURE**. Despite all of the planning and preparation that an **ENTREPRENEUR** might put into the start-up of their new business, there is no **GUARANTEE** that it will actually succeed. For businesses such as **SOLE TRADERS** and partnerships, this means that the **PERSONAL** possessions of the entrepreneur are at risk if they cannot repay the **DEBTS** of the business. An entrepreneur needs to carefully balance levels of risk against the potential **REWARDS** .

Missing Words				
	Rewards	Sole Traders	~~Franchises~~	~~PLCs~~
	Entrepreneur	Failure	Risk	Guarantee
	Debts	~~Benefits~~	~~Gaps~~	Personal

Pros and Cons Explain 3 benefits and drawbacks of starting up a small business.

ADVANTAGES

Independence – running your own business means you make all of the decisions.

Business success – if the business is a success there is a sense of achievement and pride.

Profit – as the business owner, you get to keep all (or a large amount) of the profits.

DISADVANTAGES

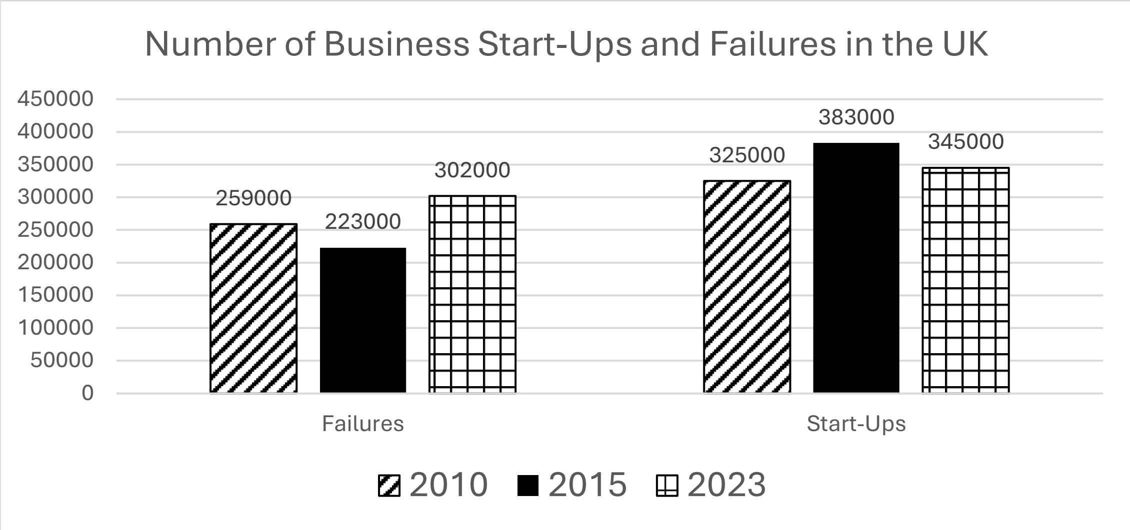
Business failure – nearly 50% of all new businesses fail with 5 years of opening.

Financial loss – the owner of the business could become liable for the business debts.

Lack of security – if the business fails then the owner loses their source of income.

Use the information in Figure 1 to answer questions 1-3.

Fig.1



1. Calculate to the percentage change in business failures between 2010 and 2023.

2010 failures = 259 000

2023 failures = 302 000

Difference = 302 000 – 259 000 = 43 000 Therefore: (43 000 / 259 000) x 100 = 16.60%

2. Calculate 2015's percentage share of overall business start-ups between 2010 and 2023.

Total business start-ups in the UK between 2010 and 2023 = 1 053 000

2015 business start-ups = 383 000

(383 000 / 1 053 000) x 100 = 36.37%

3. Examine why 2023 might highlight a growing level of risk for entrepreneurs looking to start their own business in the UK.

There has been a 35.42% rise in the number of business failures and a fall in start-ups of 9.92% between 2015 and 2023 indicating that the economic climate is challenging for entrepreneurs to successfully establish a new business at this time. Levels of consumer demand might be low if jobs are harder to find and levels of consumer spending might have fallen. However, it does depend upon what products the entrepreneur is planning to sell as some businesses do very well during economic downturns e.g. Lidl and Poundland.

True or False?

Put a Line Through the Incorrect Response e.g. ~~True~~ or False

1. True or ~~False~~: An entrepreneur's home could be lost if their start-up business fails.
2. ~~True~~ or False: Entrepreneurs dislike the independence that comes with setting up their own business.
3. True or ~~False~~: A potential risk of starting a business is the possibility of financial loss.
4. True or ~~False~~: A lack of job security is an example of a risk in starting a business.
5. ~~True~~ or False: Entrepreneurs take risks for no other reason than to achieve financial rewards
6. True or ~~False~~: Risk is something that can be planned for and its effects minimised.
7. True or ~~False~~: Financial planning is one method of reducing risk for an entrepreneur.
8. ~~True~~ or False: Market research guarantees business success and rewards for the entrepreneur.

Scenario: Discuss the impact upon a local entrepreneur if a large competitor enters the mobile phone accessories market with a range of cheaper products. (6 marks)

By offering their products at a cheaper selling price, the larger competitor is able to attract price conscious customers away from the entrepreneur. This risks a loss of demand and sales revenue for the smaller business which could ultimately result in their failure as they do not have the same financial resources as their larger and more established rival.

The entrepreneur could respond by promoting their levels of personalised customer service to help build up a unique selling point that differentiates them from the competitor and makes customers still want to visit the store. This could be encouraged further with the launch of a loyalty scheme, offering regular customers discounts within store without having to lower all of their prices.

Wordsearch

Words could be horizontal, vertical, diagonal or backwards. 10 words to find.

A	S	Y	D	V	V	R	E	S	E	A	R	C	H	P
R	E	D	C	R	I	O	P	C	M	F	R	O	W	A
O	C	S	S	O	G	S	C	M	V	E	R	I	R	S
H	U	X	R	A	F	S	J	B	X	E	Y	D	E	N
V	R	Y	C	I	F	G	S	W	E	N	T	S	W	O
C	I	Q	T	W	S	T	Y	N	D	P	O	W	A	I
Q	T	I	U	F	A	K	E	N	E	W	N	O	R	T
P	Y	U	I	E	R	T	A	P	X	M	M	U	D	I
T	W	H	A	F	V	C	V	O	X	S	S	P	Z	T
I	E	G	W	A	Q	R	V	H	J	S	G	E	L	E
F	R	N	Q	E	S	D	I	P	V	M	E	T	L	P
O	E	N	T	R	E	P	R	E	N	E	U	R	Q	M
R	A	S	F	I	S	F	G	M	X	B	Y	S	W	O
P	M	E	V	O	R	T	O	I	P	H	R	F	O	C
P	C	E	C	C	W	E	R	S	A	V	E	J	I	P
L	V	W	I	N	D	E	P	E	N	D	E	N	C	E
K	S	H	Z	C	Y	T	Y	I	T	B	O	A	W	W
B	I	S	O	O	D	D	S	B	D	E	B	T	S	D
O	Y	G	U	D	F	S	Q	V	N	T	I	X	D	H
Q	T	F	A	I	L	U	R	E	R	I	G	H	J	Q

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Words to find:

- PROFIT
- SECURITY
- RISK
- RESEARCH
- DEBTS
- FAILURE
- INDEPENDENCE
- REWARD
- COMPETITION
- ENTREPRENEUR