

Y11 BTEC Tech Award Enterprise information

The award has three components, as detailed below. The internal assessment components are completed in year 10. They will sit a 2hour exam for their component 3 three assessment in February with an opportunity to resit in the summer. The exam is worth 40% of the BTEC Tech Award grade.

The Tech Award takes the equivalent teaching time to one GCSE. Possible outcome grades are shown below with the approximate GCSE equivalent grade:

BTEC Grade	GCSE Comparative grade
Distinction*	8.5
Distinction	7
Merit	5.5
Pass	4
Level 1 Distinction	3
Level 1 Merit	2
Level 1 Pass	1.25

Component 1 Exploring Enterprises (30%) completed in year 10

In Year 10 students had the opportunity to develop knowledge and understanding of the different types of enterprise and their ownership, looking at the characteristics of small and medium enterprises (SMEs) and entrepreneurs with reasons for levels of success. They have explored the importance of having a clear focus on the customer and the importance of meeting their needs.

Component 2 Planning for and pitching an enterprise activity (30%) completed in year 10

In this component, students use the research knowledge gained from Component 1 to consider a number of ideas before developing a plan for a realistic micro-enterprise activity. They had the opportunity to plan how best to set up the chosen enterprise and how to fund it. Students take responsibility for creating and then delivering a pitch for their developed idea to an audience using their knowledge of business, and demonstrating entrepreneurial characteristics, qualities and skills. In the final part of the component students use feedback to review their plan and pitch for the micro-enterprise activity, reflecting on the plan, the pitch and the skills they demonstrated when pitching.

Component 3 Promotion and Finance for Business (40%) completed in year 11

In this component, students will assess and analyse financial information in an enterprise context to monitor the performance of an enterprise and strategies to improve its performance. They will investigate cash flow forecasts and statements, exploring the effects that positive and negative cash flow can have on an enterprise, and suggesting ways to improve them. Students will consider the different elements of the promotional mix in order to be able to identify target markets and put forward strategies that enterprises can use to increase their success in the future.

Recommended internet resources

<https://www.pearsonactivelearn.com/app/Home> - Ebook course textbook which covers all content for the course. Students have individual logins.

A copy of the personalized learning checklist which cover the topics being covered in year 11 is listed below.

Learning Aim	Topic
A	The promotional Mix (5 segments)
A	The message and medium of promotions
A	Advertising: moving image, print, ambient, digital, audio.
A	Sales promotion: coupons, competitions, money off, loyalty incentives, 'buy one get one free', discounts.
A	Personal selling: face-to-face, by telephone, via email, through video or web conferencing.
A	Public relations: exhibitions, sponsorship, press releases.
A	Direct marketing: direct mail (junk mail), mail order catalogues, magazines, telemarketing.
A	Business to business market (B2B) versus Business to consumer market (B2C)

A	<p>Market Segmentation:</p> <p>Demographics: age, race, religion, gender, family size, ethnicity, income, education level, socio-economic group</p> <p>Geographic: location</p> <p>Psychographic: social class, attitudes, lifestyle and personality characteristics</p> <p>Behavioural: spending, consumption, usage, loyalty status and desired benefits.</p>
A	<p>Factors to consider when choosing which promotional mix to use:</p> <ul style="list-style-type: none"> • Size of enterprise. • Budget constraints. • Appropriateness for product/service. • Target market.
B	<p>Financial Documents: How to complete them,</p> <ul style="list-style-type: none"> • Purchase order, • Delivery note, • Invoice, • Receipt, • Credit notes, • Statement of account.
B	<p>Financial Documents:</p> <ul style="list-style-type: none"> • Who completes them (Customer or Seller) and their order in sequence. • The importance of having accurately completed financial documents
B	<p>Payment Methods: (Method, pros and cons)</p> <ul style="list-style-type: none"> • Cash, • Credit cards, • Debit cards, • Direct debit, • Payment technologies. (PayPal, Apple Pay etc)
B	<p>Revenue and Costs</p>

	<ul style="list-style-type: none"> • Revenue: Making sales or selling assets • Revenue = price X number of units sold • Start-up costs • Running costs • Fixed Costs • Variable costs per unit • Total variable costs (variable costs per unit x units sold) • Total costs: Total variable costs + Fixed Costs
B	<p>Statement of comprehensive Income (profit or loss made)</p> <ul style="list-style-type: none"> • Turnover (net sales / revenue) • Cost of sales (total variable costs) • Gross profit (Turnover – cost of sales) • Expenses (fixed costs) • Net Profit (Gross profit – Expenses)
B	<p>Statement of financial position (How much the business is worth)</p> <ul style="list-style-type: none"> • Fixed Assets • Current Assets • Current Liabilities • Long-term liabilities • Net current assets (Current assets – current liabilities) – also known as working capital. • Net assets (Net business worth)
B	<p>Profitability and Liquidity ratios</p> <ul style="list-style-type: none"> • Difference between cash and profit • Difference between profitability and liquidity • Profitability ratios %: (formulas given in the exam) <ul style="list-style-type: none"> ○ Gross profit margin: $\text{Gross profit/revenue} \times 100$ ○ Net profit margin: $\text{Net profit/revenue} \times 100$

	<ul style="list-style-type: none"> • Liquidity ratios: (formulas given in the exam) <ul style="list-style-type: none"> ○ Current ratio: Current Assets/Current Liabilities) ○ Answer is a ratio :1 ○ Liquid capital ratio: Current assets – stock (inventories) / Current Liabilities ○ Answer is a ratio :1
C	<p>Cash Flow – be able to define and complete</p> <ul style="list-style-type: none"> ○ Difference between a cash flow forecast and a cash flow statement ○ Cash Inflows (sales, loans, money/capital invested) ○ Cash Outflows (wages, stock, bills, other running costs) ○ Net Cash Flow (inflows – outflows) ○ Opening Balance (is the closing balance of the previous month) ○ Closing balance (Net cash flow + Opening balance) ○ Purpose of a cash flow forecast
C	<p>Analysing and evaluation cash flow forecasts / statements</p> <ul style="list-style-type: none"> ○ Be able to identify cash flow problems: <ul style="list-style-type: none"> ○ Sales (inflows) too low, costs (outflows)too high ○ Negative closing balance – not enough money to pay for the outflows such as wages and stock ○ Offering cash flow solutions to cash flow problems: <ul style="list-style-type: none"> ○ increasing revenue ○ selling off unused assets ○ selling off inventory (stock) ○ chasing debtors for monies owed ○ cutting costs ○ delaying payment to suppliers ○ reducing credit period offered to customers

	<ul style="list-style-type: none"> ○ cutting back or delaying expansion plans. ○ Being able to explain the pros and cons with these solutions.
C	<p>Break even (number of units that must be sold to cover costs)</p> <ul style="list-style-type: none"> ○ Break even formula: <ul style="list-style-type: none"> ○ $\text{Fixed costs} / (\text{Selling price} - \text{Variable costs})$ ○ Margin of safety: <ul style="list-style-type: none"> ○ $\text{Number of units sold} - \text{break-even point}$ ○ Break even graphs: <ul style="list-style-type: none"> ○ Plot the upward sloping revenue curve starting at 0. ○ Plot of straight line fixed costs curve ○ Plot the upward sloping total cost curve starting at the fixed cost line ○ Mark the break-even point ○ Mark the margin of safety ○ Mark the profit and loss areas ○ How changing costs (fixed and variable) and changes to selling prices may affect the break-even point. ○ The usefulness and limitations of using break even analysis
C	<p>Sources of finance (Way to fund a business)</p> <ul style="list-style-type: none"> ○ Owner funds ○ Retained profits ○ Loans ○ Credit cards ○ Government grants ○ Hire purchase and leasing ○ Trade credit

- | | |
|--|---|
| | <ul style="list-style-type: none">o Venture capitalo Peer-to-peer lending. |
|--|---|

- Advantages and disadvantages of each source of finance.