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Cambridge IGCSE®
Enterprise

Teacher's Resource

Completely **Cambridge**
Cambridge resources
for
Cambridge qualifications

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Introduction to the Teacher's Resource

This Teacher's Resource has been written to help students studying Cambridge IGCSE® Enterprise (0454). This includes a variety of resources that have been designed to provide additional guidance and support to teachers using the Cambridge IGCSE Enterprise coursebook.

The Teacher's Resource provides the following support:

1. *A sample scheme of work* showing one possible approach to delivering the course if teaching it over 2 years. This outlines skills, activities and resources to help support you when planning your teaching and provides suggestions for how many weeks to spend on each syllabus section.
2. *Teaching ideas*, including further activities (with answers) and tips for the topic and ideas for differentiation where appropriate.
3. *Project guidance in each chapter*, suggests information you need to give students about their projects and anticipates some of the things that students may find difficult or challenging about the project.
4. *Worksheets for each chapter, linked to activities in the coursebook*. These allow students the opportunity to practice or consolidate a skill or knowledge. When to use them is suggested in the scheme of work and in the teaching ideas.
5. *Suggested answers to all activities and exam-style questions for each chapter* – this is a list of bullet points for more open-ended questions outlining possible areas for discussion. It is not a definitive list of possible answers.

You can use these resources as presented, or as a basis for creating your own materials, which you can tailor to suit your students' individual needs.

Teaching Enterprise

As a teacher your role is not simply to tell students what they need to know, but to encourage them to think about and, wherever possible, take an active part in their own learning. For example, try to use ideas boards, group-based activities and discussion or investigations rather than teacher-led talk to introduce and explore concepts.

Using your coursebook

The coursebook has been written to include all the subject content from the syllabus, along with tips, activities mini case studies and practical project guidance, including templates which students can use at the different stages in their project. These allow students the opportunity to learn about and develop their understanding and the skills involved in running a small enterprise. We also hope that the coursebook will continue to be used by students outside lessons to help them identify, plan, implement and evaluate their enterprise projects.

The concept of each chapter is introduced in the main body of the text and is often accompanied by a helpful visual representation, and students can then see how the concept is applied in a real-world example in the mini case studies. The aim is to then give students the opportunity to apply the knowledge and examples from real-world cases to their own coursework planning.

In the coursebook you will find:

Application of enterprise skills is a key focus. There are a variety of individual and group-based learning **activities** to give students opportunities to apply their knowledge and skills in a range of ways. Encourage students to practise skills outside the classroom to help develop their ability to use skills such as communication, practical problem-solving and negotiation in a variety of situations.

Mini case studies provide further opportunities for students to develop and apply their knowledge and understanding in a range of ‘real world’ scenarios. They can be used as the basis for investigation, stimulus for a discussion to encourage analysis and evaluation or as a way to consolidate learning. They can also help prepare students for the pre-released case study questions in the exam.

Project prompt boxes appear throughout the chapters. These prompts will give guidance to students on what to consider when planning the next stage of their project, taking into account the knowledge they have learnt and the examples they have read.

Exam-style questions are included at the end of every chapter to help prepare students for assessment. These can be used as a basis for a discussion or activity to generate ideas. Alternatively they can help students practice how to structure an answer. They can also be used as part of formative assessment to test knowledge and understanding.

Please note the exam-style questions and sample answers are written by the authors. The way the marks are awarded in the examination may be different.

Using your Teacher’s Resource

Your Teacher’s Resource is organised into chapters just like the coursebook. At the start of each Teacher’s Resource chapter, there are brief guidance notes intended to highlight some of the main syllabus themes that need to be covered, along with possible teaching ideas.

At the start of each chapter, there are brief guidance notes intended to highlight some of the main syllabus themes that need to be covered, along with some possible ideas on how to help teach the knowledge and skills.

- **Teaching ideas** provide suggestions and tips on how the content and skills in each chapter can be delivered.
- **Project guidance** offer help when advising students on what to consider when planning the each stage of their project, taking into account the knowledge they have learnt and the examples they have read.
- **Mini case studies** provide further opportunities for students to develop and apply their knowledge and understanding in a range of ‘real world’ scenarios. They can be used as the basis for investigation, stimulus for a discussion to encourage analysis and evaluation or as a way to consolidate learning. They can also help prepare students for the pre-released case study questions.
- **Worksheets** provide opportunities to explore ideas and/or can be used to help check understanding of concepts or practise skills. These can be used as presented or adapted to suit your own requirements.
- **Suggested answers to activities, case studies and exam-style questions** are provided for all the questions in each chapter. For more open-ended questions, the format is a list of bullet points outlining possible areas for discussion. Remember there are other possible valid answers for many of the questions.

Please note the exam-style questions and sample answers are written by the authors. The way the marks are awarded in the examination may be different.

Be flexible in how you use these resources. For example, you might want to switch some of the discussion topics as the basis for written exercises. Case studies can be used as a starter or consolidation activity. The exam-style questions can be used to a basis for a discussion or an activity to generate ideas or help students practise how to structure an answer. They can also be used as part of formative assessment to test knowledge and understanding. Alternatively, you might want to give more able students the opportunity to explore issues in more depth and allow them to present their findings to the class. This could also provide an opportunity to practise their presentation and communication skills.

Adapting resources is important in Enterprise as the opportunities and risks are always changing. Enterprising people have to be ready to change what they do, so there is always plenty of new material you can use as the

basis for a discussion, activity or mini case study. Be ready to reuse, or adapt the questions so that real-world examples are kept relevant and familiar. You could also encourage students to write their own case studies based on researching enterprises in your area.

Assessment

Assessment objectives

These are the skills that will be tested in the examination. Enterprise is a skills-based subject so it is important that students are able to demonstrate more than knowledge to do well.

Knowledge – requires students to show knowledge and understanding of terms and concepts. This could include a definition or stating factors, reasons or methods.

Application – using knowledge and understanding in a range of different scenarios. This means using the information from the case study or evidence from your project in such a way that is clear that the answer is directly linked to the context.

Analysis and evaluation – presenting developed points and making supported decisions. Students should not simply list points, but try to develop their answers to explain the effect on the enterprise. For example, encourage them to use phrases such as ‘because’ and ‘therefore’ to show that they understand the implications of their suggestions. Focus on developing two or three relevant points (ideally including points both for and against different ideas).

Evaluation involves making a decision, and then explaining why you hold this view. Remind students that a decision alone is not evaluation. The explanation should focus on why their final choice is the most appropriate and include why this option is better than other possible answers, in the given situation.

Method of assessment

Assessment for this course consists of one written exam paper and a coursework project.

Each part counts for half of the final grade. Both components assess all three skills. The paper is marked out of 100 and the coursework is marked out of 60.

The paper is based on a pre-released case study. Part A consists of short answer questions and part B has a number of open-ended questions.

For the coursework project, students will need to provide a portfolio of evidence which demonstrates tasks undertaken as part of the enterprise project.

It is important that students do not see the exam paper as separate to the coursework element. Students will be expected to refer to the experiences gained as part of their project in their answers to some of the questions. The structure and approach of the student coursebook encourages these connections to be made, with frequent links between theory and practice.

Pre-release case study

Please note that the pre-released case study is provided to students before the examination. You can help your students prepare for the pre-released case study in the following ways:

- Ask students to summarise the case study – what type of enterprise is it, what areas does it do well at and what are the main issues it is facing, what do the people want to do in the future.
- Identify key terms and topic areas covered in the case study – for example, does it cover finance, marketing, planning, help and support for enterprise?
- Students should think about how they would solve the problems identified in the case study, and how they managed or would manage any similar issues faced in their project.

Introduction to Enterprise

Teaching ideas

In this chapter students will learn about the meaning and purpose of an enterprise, and how enterprising skills can be used in different contexts like at school or at home.

- Introduce the idea of enterprise by talking about a local, national or international enterprise that everyone knows about (let's call it enterprise A for the purpose of this guidance).
- Talk about the entrepreneur who started enterprise A, or another entrepreneur that students know of, and highlight their enterprise skills. Groups can research and analyse the chosen entrepreneur's enterprise skills, understand what makes them successful and identify skills that they can learn from them. Let students use recent business magazines or the internet for their research. Each group presents their findings to the class.
- Lead a discussion about characteristics of enterprises producing goods and services. Ask students to find out if enterprise A is a social or a business enterprise. What goods and services does it produce?
- Discuss enterprise A's impact on the community and other stakeholders. Alternatively, choose a local enterprise and the impact it has had on your community.
- A local business person/entrepreneur could be invited to give a talk to the students about how and when they first came up with the idea of starting an enterprise.
- Ask students to identify two things that they have done successfully at school or at home. It could be a hobby, a sport or a part-time job. Students individually list what skills made this job successful. These points could be displayed on a large sheet of paper or mind map in the classroom.

Project guidance

The content in this chapter mainly correlates with the work required in task 1 of the enterprise project: Identifying your enterprise project. The write-up should show good evidence of knowledge of enterprise skills using various communication methods. It should include the following:

- Process of identifying and choosing the particular project: a brainstorm of various projects/activities, followed with a detailed evaluation of each project and justification for their final choice. The justification should be supported by evidence and detailed analysis.
- Summary of the project chosen, including these key points:
 - the need/problem being solved
 - the aim of the enterprise
 - is the enterprise going to be a social enterprise or profit-making?
- Details of the research methodology as well as a clear analysis and presentation of its findings and conclusions. It should include the actual questionnaire or research methods used and the data obtained.
- A mind map/visual representation of the skills that students think will be required for this project and identification of the skills they do and do not possess.
- The different stakeholders of the enterprise and their role.
- The strengths and weaknesses of their solution and evaluation of why they think the solution they have found is the most effective.

Worksheet 0.1

Use the following worksheet to help you identify needs and challenges facing your school or community and develop ideas to solve one of them. Brainstorm and note down the possible fundraising events/activities you could organise and choose one. List the different stakeholders involved and how they will benefit from the need/challenge being met.

Identifying the needs/challenges 1. 2. 3.	Need/challenge chosen: Justify your choice:
Fundraising event/activity 1. 2. 3.	Fundraising activity/need chosen: Justify your choice:
Stakeholders: 1. 2. 3.	Benefit to stakeholder 1: Benefit to stakeholder 2: Benefit to stakeholder 3:

Suggested answers to activities

Activity 0.1

Students can use Worksheet 0.1 to work through this activity.

Identifying a need or challenge: This can be done individually or as a group of 3 or 4. Students should list their ideas for a need/challenge in their school or community. Then they should gather some more information on each need/challenge and choose one.

1 Fundraising event/activity: Get the students to brainstorm possible ways to raise funds, evaluate them, choose one and justify their choice. Possible ideas include running lunchtime clubs/activities for a fee, cake sales after school, talent show (funds raised from sale of tickets and snacks sold during the show).

2 Stakeholders: Possible stakeholders are students, parents, teachers, school and the local community. Benefits could include:

- Students would have more resources to use at school which will benefit their learning.
- Parents would gain by their children having an improved and better education.
- Teachers would benefit by being able to plan more practical and interesting lessons.
- The school would possibly benefit from an enhanced reputation as a result of improved attainment by students.
- The local community may benefit by having the opportunity to use school's resources, if rented out by the school.

Suggested answers to case study

Nirali Someshwar, India

- 1 Ms. Nirali Someshwar has been enterprising in the following ways:
 - taking the initiative to set up something new.
 - having the confidence to take the opportunity when asked by parents and doing something that she had not planned for.
 - following her passion for dance.
 - being innovative and creative by running different types of classes; for children, conducting corporate events, and choreographing dances for weddings. She also teaches different dance forms.
 - positive thinking, setting up something new and believing that she will continue to be successful in an area that she did not have a formal qualification in.

Note to teachers: this is a sample answer based on the syllabus points covered in this chapter only. If students are answering this question having covered all the syllabus topics, their answer should make specific reference to the content of topics 2.1, 3.1 and 3.2 in the syllabus (Chapters 1 and 2 respectively in the coursebook).

- 2 She can continue to be enterprising by continuing her careful planning and dedication and understanding/researching the competition in the market. Developing her skills further in the areas identified in her research can be helpful.
- 3 The risks she may have considered are:
 - the financial investment required
 - the lack of a formal qualification in dance
 - the potential cost of not having followed a career in architecture.

Note to teachers: this is a sample answer based on the syllabus points covered in this chapter only. If students are answering this question having covered all the syllabus topics, their answer should make specific reference to the content of topic 4.2 in the syllabus (Chapter 3 in the coursebook).

- 4 The different stakeholders of this enterprise are:
- Nirali herself, due to the returns she gets from the time and money she has invested in this enterprise
 - the community (children and parents that both learn from her)
 - the employees who work for her
 - the competition (other businesses offering similar services)
 - the government as they would be gaining taxes from the income of the enterprise.
- 5 This is a business enterprise as its main aim is to make profit. Though dance can be seen as a way to improve people's mental and physical health and so is better for society, that is not the main aim of this enterprise.

Suggested answers to Worksheet 0.1

Students' own answers

Chapter 1 Setting up a new enterprise

Teaching ideas

In this chapter students will learn what is involved in starting a new enterprise, and the advantages and disadvantages of different types of business organisations.

The enterprise process

- Introduce the topic. Working in groups of four, ask students to create a mind map (on A3 sheets) of all the things they would need to consider to set up an enterprise. Pupils who find this difficult can use enterprise A as an example (they have researched this in the Introduction to enterprise chapter so they should be able to relate to it more). Support and scaffold the groups as needed to help them come up with ideas that can be fitted in to the six steps of the enterprise process.
- Question/prompt the class to think if these ideas can be grouped in some way to generate the steps in the enterprise process, would some things need to be thought of before others?
- Discuss and collect the ideas as a class and write them on the board, in this way having a first go at generating the enterprise process collectively. Encourage the more able to try to group the ideas and come up with names for the different steps/stages of the enterprise process.
- Explain the importance of having and following a process; to make sure all important considerations have been taken into account.
- Reveal the Enterprise process flow diagram and lead a discussion on the stages of the enterprise process and their considerations. Students can use Worksheet 1.1 to try and order the stages of the enterprise process.
- Organise the students for Activity 1.1. Divide them in to groups and ask them to come up with a club name, aim and its main activity. Specify that they need to decide whether they are going to invent an idea or innovate an existing idea. Remind them to go through all the questions in Activity 1.1. and make a note of them on a sheet of paper (see suggested answers section and support and guide students accordingly).
- One group at a time can then present to the class, the name of their club, its main aims and its main activity.
- Direct questions 1–4 from Activity 1.1 to the presenting group so that they can explain the factors they considered as they relate to the enterprise process.

Types of business organisations

- Introduce the topic and question and assess if the students are aware of some of the business types. What type of a business is enterprise A?
- List and explain the characteristics of sole traders and partnerships, giving examples of typical businesses that are set up this way. Can they think of any other examples?
- Ask pupils to compare sole trader vs partnership business types and consider which type would they set up and why. Gather ideas and make a comparative table on the board.
- Question the students on what the biggest problem faced by such business types might be. Direct the answers towards unlimited liability and difficulty raising finance. Develop the point further by asking what businesses could do to raise finance.
- Explain the two types of limited companies and their characteristics and how they can help deal with some of the shortcomings of a sole trader and partnership.
- Explain the remaining types of businesses and give examples of each.

- In pairs, students can then be asked to do Activity 1.2, making notes while answering questions from the activity. Choose a few pairs to share their research and their findings.
- Students could also do some research finding a business for each enterprise type.

Project guidance

The content in this chapter touches on all four tasks of the enterprise coursework project. The following points should be considered within each stage of the enterprise process:

Stage of the enterprise process	Coursework project task	Points to be considered
Identifying the problem/need/want	Task 1: Identifying your enterprise project	See project guidance for the introductory chapter. Add more detail to the formal written report to be produced as part of task 1.
Exploring creative solutions	Task 1: Identifying your enterprise project	See project guidance for the introductory chapter. Add more detail to the formal written report to be produced as part of task 1.
Action planning Students can think about the action plan at a higher level and possibly create subheadings. Details should to be filled in as they cover more content from the book and apply this to their project.	Task 2: Planning your enterprise project	Creation of action plan, including: <ul style="list-style-type: none"> • Activities to be done • Distribution of work • Timings of activities • Type of enterprise Proposed methods of monitoring progress – is it measurable? What are the risks involved? Think about financial plan: how much finance will be needed, how will it be raised, what will the expenditures be? Marketing plan should include what methods of marketing to use?
Implementing the plan	Task 3: Implementing your enterprise project	Students can start thinking how they will implement the plan and how they will keep a record of the activities carried out. They should remember to keep notes on any negotiations they do.
Monitoring To be filled out as more content is covered and applied to their own project.	Task 3: Implementing your enterprise project	Students can think about/make notes on how they might measure the progress of their project and how often should they track their progress.
Evaluation of successes and failures. To be filled out at the end of the project.	Task 4: Evaluating your enterprise project.	Students can start to think about how they will evaluate the success of the project in any two of these areas: <ul style="list-style-type: none"> • Financial success • Success of the marketing methods used • Success in planning and implementation of the project/activity • The success of teamwork.

Worksheet 1.1

The stages of the enterprise process below are not in the right order. Write a number next to them to specify the order in which they should be carried out.

	Action planning
	Evaluation of successes and failures
	Identifying the problem/need or want
	Monitoring
	Implementing the plan
	Exploring creative solutions

Suggested answers to activities

Activity 1.1

With their chosen club in mind, students need to walk through the steps in the enterprise process, noting down all points that they need to consider.

- A comparative analysis of the possible choices and the reasons why the student chose a particular club should be explained.
- Possible points to be considered are: venue, timing, skills needed to run the club, how many people will run the club, who will it be for and which teacher can supervise the club.
- Make sure all people involved in running the club, as well as those attending the club are informed of the timings, venue and their roles. Track progress against milestones and make quick and well-informed decisions in case of unexpected events.
- Personal judgement and collecting suggestions, comments and feedback from the other students running the club as well as the participants should be done. If the success is measurable, like an improvement in maths ability/participation and success in competitions, then that could be used as well.

Activity 1.2

This is a research-based activity and requires students to have access to the internet or business journals. Your school may have to facilitate this if some students do not have access to the internet. Students can make a fact file on the enterprise of their choice, covering the following questions:

- What type of an organisation is it? An extension task could be an analysis of why this type of organisation is suitable for the enterprise.
- What is the main product/service offered by the enterprise?
- What are the risk factors/challenges faced by the enterprise? Research into how the enterprise has overcome some of its challenges will be a good extension task to stretch students.
- Is the enterprise successful so far? Students wishing to extend on this should explain how they know it is successful, possibly backing this up with data/financial figures.

Suggested answers to case studies

Betty Makoni, Zimbabwe

- 1 The characteristics that make it a social enterprise are:
 - It is a non-profit organisation so it does not run to make a profit.
 - It has a social aim to protect and promote the rights of the girl child all over the world.
- 2 The main differences between a sole trader and a social enterprise are the objectives, use of profits and the liability of the owners:
 - The objectives of a social enterprise are to bring about environmental or social change incorporating ethical values aimed at benefitting the community. A sole trader, on the other hand, aims at making maximum profit.
 - Having a social motive, social enterprises will either reinvest their profits back into the business for this purpose or use it for the benefit of the community. Sole traders, on the other hand, will reinvest all their profits back into the business for future growth and profit maximisation.
 - A sole trader has unlimited liability and is responsible for all debts of his business. However, the owners/shareholders of a social enterprise, if it is a limited company will have limited liability.

- 3 The main challenges faced by a social enterprise like the Girl Child Network are:
 - limited capital
 - gaining collaboration
 - understanding different laws and regulations in different countries.
- 4 The main driving factors behind people working for such an enterprise are:
 - job satisfaction knowing they have made a difference to often deprived and people in need.
 - personal reasons.

Richard and Maurice McDonald, USA

- 1 The main advantages to a business are:
 - The franchisee has a greater chance of success as it sells a well-known product/service, whereas a sole trader has to build its image from scratch.
 - The franchisor may provide some support to the franchisee by providing advice and training. On the other hand, a sole trader is the sole owner but may hire some employees. Any sort of additional training may be too costly for a sole trader.
 - The franchisor may contribute funds or do some advertising at national level, reducing the franchisee's costs, but a sole trader has to bear all the costs themselves.
 - It is easier for a franchisee to gain loans from a bank, as the business is seen to be low risk. A sole trader, however, often has to rely on personal savings.
- 2 The challenges that may be faced by a McDonald's franchisee are:
 - The franchisee will have to pay a license fee and possibly a percentage of the revenue to the franchisor.
 - The initial costs of setting up a franchise business may be high.
 - The franchisee will not have full control over how he can run his business as he will have to follow the controls set by the franchisor.
- 3 Some of the advantages to McDonald's of expanding by offering its franchises are:
 - There is a greater chance of success in expanding this way, as the franchisee will work hard as they have invested in the business.
 - It is a cost-effective way to expand as the franchisee also contributes capital.
 - The franchisor will receive additional income in the form of ongoing fees paid by franchisees.
- 4 The role of McDonald's suppliers is to:
 - provide quality and timely supplies to McDonald's outlets.
 - provide the supplies at a reasonable cost to McDonald's as this will have a direct impact on McDonalds' profits.

Suppliers are important stakeholders having an impact on McDonald's performance as well as being impacted by its success. The importance of the suppliers carrying out their role is:

- assurance that McDonald's outlets can make products of high and consistent quality leading to good sales
- reasonable costs for McDonald's and if sales are good then McDonald's can have good profits.
- if McDonald's makes good profit, then they can pay their suppliers on time and continue to engage them in the future, benefitting the suppliers as well.

Suggested answers to exam-style questions

- 1 Students should mention one advantage, e.g. cheap, quick and simpler to start, the partners can keep all the profits and have full control, shared decision making and workload. Students should mention one disadvantage, e.g. partners have unlimited liability, it is difficult to raise finance, disagreements and conflicts partners can slow down the business, decision made by one partner is legally binding on all the others.
- 2 Students should state the type of enterprise their business is and explain two of its features, for example if their enterprise is a partnership of 5 people they can say:
 - their enterprise has 5 partners who share the profit equally.
 - the partners are liable for all debt known as unlimited liability.
- 3 Students should mention any two relevant stakeholders with an explanation for each. The possible stakeholders can be: suppliers, customers, franchisee company, government, competition, lenders and employees. The explanation can either mention how the stakeholder has an impact on McDonald's or how McDonald's performance has an impact on the stakeholder. Below are some examples:

Suppliers: these are the businesses that supply the ingredients/products needed by McDonald's. They should be paid on time in order to ensure a timely and continuous supply of the needed supplies. Quality and timely delivery of supplies to McDonald's food outlets, directly impacts McDonald's reputation and performance. Suppliers also gain directly from McDonald's growth and success because the better McDonald's performance the more demand for the suppliers' goods and the more sales and profits they make.

Customers: they are the consumers of the food produced by McDonald's. It is very important for McDonald's to satisfy its customers as they generate revenue for it by buying its food. For the customers to be loyal to McDonald's it is important that McDonald's provides them good quality food and service at a fair price.

Franchisee outlets: the franchisee has the right to sell McDonald's products and it benefits from the revenue it makes from the sales. McDonald's, the franchisor, has a direct interest in the success of its franchisee as it gets a percentage of the profits made by the franchisee company.
- 4 The different stages of the enterprise process should be listed and explained.
 - Identifying the problem, need or want: A combination of group discussion, brainstorming and individual reflection should be used to identify and understand the problem, need or want.
 - Exploring creative solutions: When aiming to solve a problem or meet a need, creative and innovative ways need to be looked at and evaluated.
 - Action planning: This involves, making plans for the enterprise activity keeping the costs, budget and financial capability in mind and breaking down goals into achievable tasks.
 - Implementing the plan: To be successful, enterprise activities must be carried out efficiently, effectively, lawfully and with due regard to health and safety.
 - Monitoring progress: Constantly monitoring and evaluating progress against the objectives set out is a way to make sure that projects are tracked and any deviations identified.
 - Evaluation of successes and failures: This involves reviewing the final outcomes against achievement criteria. This is done in order to draw lessons from the activity and come up with suggestions for improvement in the future.

- 5 Students should explain the importance of planning in the enterprise process with reference to their own enterprise. They could say that planning is an important part of the enterprise process and with respect to my project, it involved making an action plan which considered the following:
- The costs, budget and financial capability.
 - Breaking down goals into achievable tasks.
 - Use of resources and team members most efficiently. Allocating roles according to people's strengths, skills and attributes to increase the chances of success.
 - Setting appropriate timescales and milestones, working towards the goals set out earlier.
- 6 Students should state the characteristics of a sole trader and then compare and highlight the difference with the characteristics of a limited company.

Suggested answers to Worksheet 1.1

3	Action planning
6	Evaluation of successes and failures
1	Identifying the problem/need or want
5	Monitoring
4	Implementing the plan
2	Exploring creative solutions

Chapter 2 Skills and behaviours of enterprising people

Teaching ideas

In this chapter students should develop an understanding that they are enterprising people, capable of utilising their knowledge and skills to be a success.

- Introduce students to the idea that they are surrounded by enterprising people. Encourage them to investigate enterprising people at their school, local community and wider community.
- Define the enterprise skills set for students, supporting this with examples from enterprising people in school, the local community and wider community. Make use of Activities 2.1 and 2.2 to embed this knowledge and for students to begin to consider which skills may be more important.
- Encourage students to think of themselves as enterprising people by identifying where they have made use of their skills in the past and reflecting on how successfully they did so. You could ask them to write a report and practise the skill of report writing.
- Students should undertake the skills audit. Activity 2.3 suggests a simple skills audit framework.

Project guidance

- The coverage of this chapter links to task 1 of the project in which students will need to identify which skills they are strong in, how they know they are strong in these skills, and how this will add to the success of their enterprise project.
- Students will also need to identify some skills in which they are weak, how they know they are weak in these skills, how these weaknesses might reduce the success of their enterprise project, and how they will address these weaknesses to minimise their negative impact.

Worksheet 2.1 Summarise the skills of an enterprising person

For an enterprising person that you have researched complete the table below. In the first column list three skills that the enterprising person has used. In the second column define the skills, then write a summary of how that enterprising person used that skill. For an example of how to do this, see the case study of Tanya Budd in Chapter 2.

Name of entrepreneur: _____

Skill	Definition of skill and how the entrepreneur used that skill.

Suggested answers to activities

Activity 2.1

Skill	Definition
Leadership	The ability to inspire and encourage others.
Innovation	The ability to come up with a completely original idea.
Creativity	The ability to develop or improve on established ideas or designs.
Team building	To motivate each other to succeed in achieving a common goal.
Managing risk	To consider the risks and choose which ones are worth taking.
Communication	To make your message understood through a variety of different methods such as verbally or in writing.
Interpersonal	To develop and maintain good relationships with others.
Perseverance	To keep trying to succeed no matter what obstacles are encountered.
Self-confidence	To be confident in your own abilities and judgements.
Problem-solving	To be able to find solutions to obstacles which are encountered.

Activity 2.2

Students' own answers

Activity 2.3

Students' own answers

Activity 2.4

Students' own answers

Activity 2.5

Students' own answers using Worksheet 2.1 provided.

Suggested answers to case studies

Arjun Santosh Kumar, India

- Answers may vary but could include problem-solving, innovation, creativity and managing risk.
- Students' own answers.

Suggested answers to exam-style questions

- 1 The student should be able to demonstrate that they have researched an entrepreneur and know how that entrepreneur has applied the enterprise skills to making their enterprise a success; an entrepreneur must be named but there is no requirement for this to be a well-known entrepreneur.
- 2 Students should demonstrate how an enterprising person can use the given skills to make their enterprise successful. Time management should demonstrate how to prioritise actions to make the best of their time. Problem-solving should demonstrate how the enterprising person has found solutions to obstacles faced.
- 3 The command word for this question is discuss. Students need to identify which skills they used in their enterprise project. Then they should give an account of which skills they used well and which they used less well. Good answers will make judgements about how their communications impacted on the success of the enterprise.

Chapter 3 Opportunities, risk, legal and ethical considerations

Teaching ideas

This chapter looks at how opportunities can be taken advantage of and risks managed, as well as the legal requirements to be followed and the impact an enterprise can have on society in different ways.

- Use the mini case study (Noa and Benny) as a basis to introduce enterprise opportunities. Students research other examples including some local examples. Present ideas as a poster or newspaper headlines to class.
- Ask students to discuss what risk means to them, and in a group, create their own definition of the term. Use video material based on famous entrepreneurs to explain the concept of risk. Use Activity 3.1.
- Presentation, using a worked example, outlining the stages of risk management. Give the students a series of activities to complete, such as carrying out a SWOT and PEST analysis to allow them to become familiar with the process. Use Worksheets 3.1 and 3.2.
- Use a quiz or activity (such as the tower game in Activity 3.4) to assess their attitude to risk.
- Provide students with a simple local problem with two or three possible solutions. Each group has to outline the advantages and disadvantages for their solutions. Encourage group members to question ideas and points made so that when presented to the class they can justify their solution. The class then votes on which solution they would choose. Hold a class debriefing about the outcome.
- Ask students to write down possible reasons why laws and regulations exist. This can be followed by a teacher presentation of the types of laws and regulations that exist to protect stakeholders (alternatively you may ask groups of students to research different areas of law). Students complete a card sorting activity in which they have to match the effect of a given law on different stakeholders.
- Provide students with local case study examples to discuss issues covered by laws. In each case students have to explain the effect on different stakeholders.
- Students produce a mind map to write down ideas on the meaning and importance of ethics. Students share ideas with others. Ask students to identify ways an enterprise can be ethical or not. Record ideas as newspaper headlines.

Provide students with a scenario – for example, Activity 3.6 – as the basis for a discussion on ethical considerations.

Project guidance

- The content of this chapter can help with choosing a suitable project.
- Students need to be aware of possible local opportunities for enterprise that might exist. Using methods such as SWOT and PEST can help students decide whether there is a market for each of their proposed products or services.
- In the report, students will need to consider both advantages and disadvantages of each option. Students should be encouraged to collect evidence to support any factors identified as part of the process.

Worksheet 3.1 Understanding PEST analysis

PEST is one of the methods that can be used to help identify risks.

Read the following scenario:

Hannah has an idea to open a shop selling chocolate and sweets which she is going to buy from different countries around the world.

As part of her planning, she has identified a number of possible issues.

Political	Economic
Social	Technology

- Listed below are four PEST factors. Match each factor with the correct section.
 - Research shows that people are eating more chocolate than sweets for the first time.
 - Growth of the internet is making it easier for people to buy products from home.
 - The government plans to introduce laws about food quality and standards.
 - Interest rates are expected to rise over the next few months.
- For each of the factors, outline **one** possible effect on Hannah's enterprise.

a _____

b _____

c _____

d _____

Extension activity

Identify, and outline, other possible PEST factors that might affect Hannah's enterprise.

Suggested answers to activities

Activity 3.1

Party: risks might include: having enough money to finance it, possible school rules, having the right skills/access to people to organise event, access to venue, equipment (depending on type of party), date might clash with other events.

School trip: risks might include: having enough money to finance it, possible school rules depending on type of trip considered, having the right skills/access to people to organise and run the trip, transport issues, date might clash with other events.

Activity 3.2

Students' own answers.

Activity 3.3

Points might include:

- Missing the bus could result in being late; being late could mean missing the exam.
- Options might include: setting the alarm clock to get up earlier to be at the bus stop in time; finding alternative ways to get to school so as not to rely on the bus.

Students' own choices based on options discussed.

Activity 3.4

N/A

Activity 3.5

Points might include:

- **Food:** some ingredients might not be allowed, so money will be spent on developing new/amending recipes, which increase costs. This lowers amount owners receive, and increases workload for employees. Customers might not be happy with new recipes. Suppliers may lose or gain orders based on ingredients required.
- **Advertising:** may have to spend additional money on new adverts that are suitable for the new location or media. Potential lost sales as customers are not aware of product availability. This could mean less money for owners and more work for employees. The government will need to monitor to ensure rules followed.

Activity 3.6

Students' own answers. There are both good and bad points to consider.

- **Good:** benefits created such as jobs, support of community projects. Are other enterprises doing anything in terms of energy use and waste?
- **Bad:** materials used to make cups, potential pollution from empty cups. Alternative options may be expensive and lead to lower profit.

Suggested answers to case studies

Noa Mintz, USA; Benny Fajarai, Indonesia

Students' own answers, based on entrepreneurs researched.

Andrew Mupuya, Uganda page 40

Other risks: new competitors who start making reusable bags, changing tastes as people start shopping online, further changes to law, finding enough suitable people to employ as bags are hand-made, access to materials such as paper

Suggested answers to exam-style questions

- 1 Opportunity – a time or event that makes it possible to do something.
- 2 A growing population could mean more potential female customers and increased revenue. It creates opportunity for expansion/entering new markets such as men or children, or providing new products as a way to increase the target market such as leisurewear for women; ageing population could lead to demand for new or different products to reflect changing needs for women. These factors are just two examples, students may identify and explain why other factors will have an impact.
- 3 Students' own answers, based on issues arising from their based on risks associated with chosen project.
For example:

Risk of lack of demand as didn't know if people wanted what we were selling, so we carried out some primary market research to ensure demand.

Not meeting deadlines to submit our order for materials with supplier, therefore used planning skills to ensure deadline was met.
- 4 Points might include: increased demand for her clothing, so higher revenue may make it possible to afford to be ethical; improved brand image, helping to attract more potential customers for her accessories; suppliers may be willing to offer better terms, so she is able to offer competitive prices to help attract more women to her enterprise.
- 5 Points might include:
 - **Employment:** provide written contracts, respect and follow laws relating to areas such as unfair dismissal, discrimination and minimum wages. Time to create and implement policies, increasing costs. May have to recruit someone to oversee this or spend time that could be used on other issues.
 - **Marketing, advertising and selling:** claims about the product must be truthful/not misleading or leave out important information, e.g. this chocolate bar is better for you than fruit. So can take longer or be more expensive to create advertisements. If adverts are found to be illegal then legal action can be taken, e.g. fines, and could lose potential customers through bad publicity.
 - **Production:** health and safety ensure basic standards that must be followed to ensure safe working practices and conditions. For example, may have to provide training, extra equipment (e.g. safety gloves, glasses) or changes to how the enterprise operates which would increase costs and could reduce profits.

Suggested answers to Worksheet 3.1

- 1 a – social
b – technology
c – political
d – economic
- 2 a – help decide on which products to stock – more emphasis on chocolate (need market research)
b – may change how or where she decides to sell her sweets – for example may not open a shop or may offer option to buy online as well
c – affect which items able to sell (as will need to pass new law which could lower potential demand)
d – possible negative effect on demand as customers may not be able to afford luxury items, or limited or no adverse effect as may not be high value items.

Chapter 4 Market research

Teaching ideas

In this chapter students will learn about different ways to identify customers and how each method can work for different enterprises.

- Use Activity 4.1 and ask students whether they have ever been asked or know anyone who has been asked, to take part in market research. If so, what was it for and what type of questions were they asked? Students create a word cloud based on words related to market research.
- Students in groups discuss what information a business needs. Present information as a leaflet.
- Divide students into groups to research and take notes on different methods. Present information as a table - headings: primary or secondary, advantages, disadvantages and when use. Use Activity and Worksheet 4.1 to explore this further.
- Show students a number of possible market research questions and discuss what makes a good question. Then provide students with an scenario such as Activity 4.3.
- In small groups, students complete a simple research activity for a given task. An example could be demand for a particular product or service in school. Each group could then present their results to the class. Present findings in the form of charts and graphs.

Project guidance

- Students will need to write a report about choosing a suitable project. In the report they will be expected to collect and analyse data, and use the results gathered to help make decisions about which project to choose.
- A good source of evidence is market research. Methods such as questionnaires are especially useful, as it will allow students to find out exactly what they want to know. The questionnaire does not have to be too long; the important thing is that they find out what they need to know.
- Secondary sources can be helpful. If used, make sure a copy of the data is included in the appendix, and the specific data used to support points is quoted in the report.
- Information should be gathered for all options considered as the evidence can be used to support or reject an idea.

Worksheet 4.1: Selecting a method of market research

Diego has always been creative. When he was young, he would make small gifts for his family and friends. Everyone liked what he made, and many wanted to know where they could buy similar items. This made Diego think about the possibility of setting up his enterprise.

Diego has identified three possible methods of market research he could use.

Using the following criteria, score each method on a scale of 1–5 (where 1 is not suitable and 5 is very suitable).

How suitable is the method in terms of:	Interview	Questionnaire	Secondary research
Cost			
Suitability for enterprise			
Suitability for reaching potential target market			
Any other factors (please state)			

- 1 On your own, complete the table. Based on this information, which method do you think Diego should use?
- 2 Discuss your answers with others in your class, and see if they had the same answers as you.

Additional activity:

Write a short summary explaining your final choice. Give a reason why you think this method is better than the other options.

Suggested answers to case studies

Asha's market stall

- 1 Questions might include:
 - Which of the following products are you interested in buying (phone cases, pens, games, other)?
 - Where do you normally buy your phone cases?
 - How often do you buy these products?
 - How much would you be willing to pay for a phone case?
- 2 Options include:
 - interview current customers of her market stall – as easy to access and able to obtain more detailed answers
 - observations – watch customers (in street) or at nearby shops to see which style of cases are popular.
 - secondary, e.g. statistics on number and who uses phones to assess potential size and nature of market, newspaper or internet articles.
- 3 Student's own answers based on project.

Suggested answers to activities

Activity 4.1

Students' own answers.

Activity 4.2

Methods might include:

- **Garden tidy: questionnaires/surveys** – these are a relatively cheap way to find out the views of a wide range of people in area, if everyone is asked the same set of questions the results can be presented easily in charts to interpret; **interviews** enable students to ask more detailed questions but it will take longer to collect information; **government statistics** – students can find out the number of people with gardens, the data is free to access, but it will not tell you if these people want to use a garden tidy service.
- **Retailer: questionnaires/surveys** (see explanation above); **government statistics** to identify the demographics, income of different areas to find which match desired profile; **market research agencies** – a large retailer may be able to afford to pay for their expertise so more able to ask the correct type of people and questions.

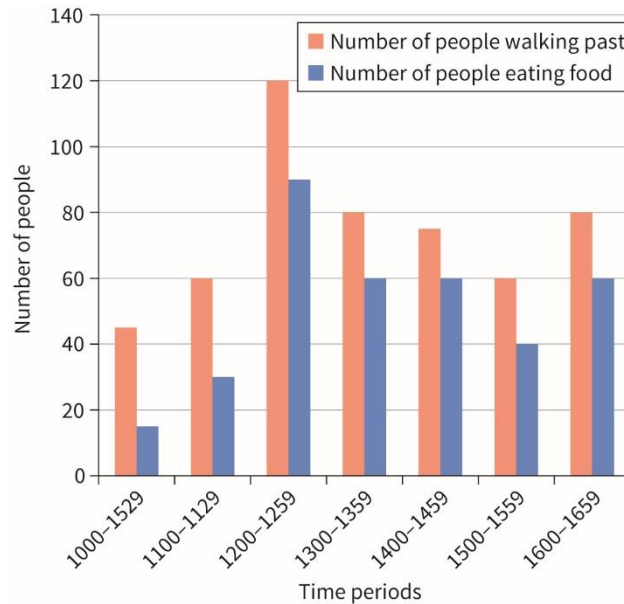
Activity 4.3

- Oris will be able to find out if people like orange, but it does not cover every possible option, so is of limited use. Oris could ask 'Which flavour drinks do you like?' (and include a list of possible flavours and 'other' option).
- Q2 is not helpful as it is trying to find out too much information. It covers two different groups, so any answer may refer to children, adults, or both. The question could be split into separate questions, such as 'How popular do you think this product will be with children?' and 'How popular do you think this product will be with adults?'.
- The use of the word 'always' is unhelpful. As it is written, nearly everyone will be forced to say no, as they may have missed breakfast once. There is a risk that truthful answers might not be given from everyone, as people may think that they should say yes. Instead, the question could be, 'How many days a week do you usually have breakfast?'.

Activity 4.4

This can be presented as two separate charts or as a single chart. It is important that data is clearly presented, easy to read and clearly labelled. For example:

Chart to show number of people walking past a given location and the number of people eating.



Activity 4.5

- Response explains why the person asked the question, which is neither analysis nor necessary. Reviews data and states how they used information, but does not develop either point.
- For example: the result shows that 45 businesses offer small bags compared with 32 business who offer medium bags and 20 businesses who provided large bags. This shows that small bags are the most used bags, so could offer a larger potential market. Medium bags are also an option as 33% of businesses offer them. Large bags are the least popular, with 21% of businesses using them, so these would gain fewer sales.

Suggested answers to exam-style questions

- 1 Information about the market, customers or competition that has already been collected.
- 2 Points might include:
 - find out about customer needs so can offer right type of hand cream to increase potential sales
 - help make decisions such as whether to start up her skincare business or not so does not waste money.
- 3 Students' own answers based on methods chosen. Choices are likely to include questionnaires, interviews, observations, focus groups as well as secondary research. Students should discuss each option (both positive and negative points), and link points to this skin care enterprise. Decisions should be made and supported.

4 Students' own methods might include:

Questionnaires and surveys – relatively cheap and can get lots of information but need to make sure you ask right questions and appropriate people.

Interviews – more detailed information but fewer people asked so could lead to bias as not representative and takes a long time to do.

Observations – get a good insight without interrupting or influencing behaviour but cannot ask questions.

Secondary sources such as internet or government publications such as census – free but information likely to have been collected for another purpose so may not be relevant.

Answers should make clear references to their own project in terms of methods used and the analysis should include detailed explanations of all points made before making clear supported decisions as to whether the methods used were successful or not at gathering the information required.

Suggested answers to Worksheet 4.1

1 Students' own answers, but might include:

- **Cost:** interview the highest, and secondary research cheapest.
- **Suitability for enterprise and reaching potential target market:** interview (more detail) and questionnaire (more people) so both high, secondary lowest by far.
- Other factors may relate to time available (secondary research is readily available and interviews take longest), what want to know – could work for any depending on required information.

2 Students' own answers.

3 Students' own answers.

Chapter 5 Business planning

Teaching ideas

In this chapter students will learn how different enterprises will have different aims and objectives, and how they use action plans and business plans to achieve them.

- Introduce the idea of business objectives and how these influence the activities of enterprises. Use an activity in which students have to match up a list of objectives to a range of well known enterprises. Use Activity 5.1. to investigate objectives of local enterprise.
- Give students a challenge or target to achieve. For example, using Activity 5.2 in class, identify steps that need to be taken to complete it. Use this activity as the basis to introduce the concept of action planning and the stages involved in constructing one (see Figure 5.2).
- Use Activity 5.3 or another example as the basis to explore why it is necessary to plan for potential problems.
- Students research and make notes on the importance of monitoring, and updating action plans. Use a quiz based on methods and reasons for monitoring to check understanding.
- Give students a copy of a simple business plan such as Suki's Noodle Bar. Students identify the main parts and discuss why the information might be helpful.
- Students in groups are given a scenario for a possible enterprise they could set up at school such as a food stall. Each group is given a blank business plan template to complete.

Project guidance

- Remind students that they are expected to prepare an action plan for their project. The length and level of detail included will depend entirely on the size and type of project selected. If they are working as part of a group, they should have a larger-scale project so everyone has a chance to play a meaningful role in it. As such, the action plan is likely to involve many more stages. The important thing to remember is that the action plan should be suitable for the scale of project, and detailed enough to help them set up, run and monitor what they need to do.
- Remind students to always prepare the action plan before they start the project. This will allow them to be able to identify potential problems and decide how each individual plans to manage each one. In the project write-up, students will be expected to discuss a number of possible solutions to each problem identified before making a decision.
- Students do not need to produce a business plan for their project, but they need to understand the purpose and importance of business plans.

Worksheet 5.1 Creating an action plan

Instructions:

For their enterprise project, Ali, Harry and Leena have chosen to sell brownies at a school Enterprise Day. At one of their meetings, they wrote down key actions on pieces of paper, and now must decide on a logical order.



- 1 Can you help them work out the order for these activities?
- 2 Using the action plan template on page 66 of the coursebook, construct an action plan based on this information, using today's date as a starting point. To do this, include completion dates, and for each action suggest one way to monitor it.

Suggested answers to activities

Activity 5.1

Student's own answer, based on local businesses investigated.

Activity 5.2

Student's own answer, based on options identified.

Activity 5.3

Olivia could use the following solutions:

- use different fruits that may be plentiful, so changing the type of jam she makes
- buy fruit from elsewhere; this may be more expensive, so she would have to allow for this in her pricing
- use frozen fruits and adjust her recipe
- contact her supplier and find out how much fruit he can provide her – she only needs enough for 150 jars, so there may be plenty of available fruit for the size of her order.

Suggested answers to case studies

Suki's Noodle Bar

- **Market research:** shows potential customer demand for her noodle bar, which could help determine whether the project is likely to be successful; help set prices for each dish; help decide correct location from observing how many possible customers there are in a given location.
- **Previous experience:** shows that Suki has worked as a chef, so knows what she is doing. It may give the bank manager more confidence in her ability to manage a noodle bar.

Suggested answers to exam-style questions

- 1 An action plan is a list of tasks that need to be completed for a set goal to be completed.
- 2 Objectives might include: increase profit by cleaning more houses, spread risk by offering office cleaning, provide good service as shown by customers being pleased, survival as only a small start-up business
- 3 Possible answers might include: the original objectives were completed so new targets need to be set; costs change so there may be a need to adjust figures/prices to ensure can break even; changes in competition may mean elements of the marketing mix need to be altered to stay competitive.
- 4 Areas to discuss could include:
 - As Carlos is looking to expand, he should plan ahead, as the bank would expect to see a business plan to support any request for finance such as new equipment. This shows planning, so increases the chances of getting the amount needed.
 - Help CC plan when hiring employees, including: how many friends should Carlos employ? How much will it cost, and how much can he afford to pay?
 - Help identify risks linked to expansion. Is there a large potential market for office cleaning? Already has experience of cleaning houses so may already know most of the information.
 - Business plan takes time to prepare which means less time to focus on day-to-day decisions.

- 5 Student's own answer. Areas where planning might be important could include: market research, planning for negotiation, making or buying in the product.

Students should explain, using appropriate examples from their individual project, and in as much detail as possible how and why planning helped to carry out each of the activities discussed.

Suggested answers to Worksheet 5.1

There is no set order. One possible solution is:

- 1 Research types of brownies – monitoring: meeting
- 2 Arrange permission – update at meeting
- 3 Raise finance – update at meeting
- 4 Produce advertising poster – testing to check if fit for purpose
- 5 Advertise brownie stall – ask people if seen posters
- 6 Buy ingredients for brownies – shopping list to check against
- 7 Set up stall – to do list
- 8 Make brownies – testing
- 9 Sell brownies – record sales on sheet
- 10 Clearing up – to do list
- 11 Record accounts – sales numbers

Chapter 6 Sources of finance

Teaching ideas

In this chapter students will learn how different sources of finance can be appropriate for enterprises depending on the situation.

- Introduce students to the idea that enterprises need to be able to access money for a variety of reasons throughout the lifetime of the enterprise.
- Bring in the idea that enterprises have access to lots of different potential sources of finance; however, they must find the one that suits their enterprise best given their needs at that time. Thorough research is needed as enterprises so that they don't find themselves in financial difficulties.
- Go through all sources of finance that are suitable for a start-up enterprise, ensuring that students understand the advantages and disadvantages of each source. Table 6.1 will support this; however, it is generic and requires the addition of local context.
- The Samphire Festival case study shows how crowdfunding was a good source of start-up finance for that enterprise.
- Encourage students to investigate other enterprises and their sources of start-up finance. This could be turned into local case studies.
- Go through all sources of finance that are suitable for the continued trading and expansion of an enterprise, ensuring that students understand the advantages and disadvantages of each source. Table 6.2 will support this; however, it is generic and requires the addition of local context.
- Activity 6.1 could be used to check learning on sources of finance and could be extended by asking students to add the advantage and disadvantages of each source.
- The Samphire Festival case study shows how crowdfunding was a good source of start-up finance for that enterprise. Create local case studies for students to engage with and where other sources of funding have been used. You could create exam-style questions on the local case studies to check students' knowledge of sources of finance.
- To get students thinking about sources of finance you could replicate the tables found in chapter 6, cut them up and get students to match up the title, description, advantages, and disadvantages.
- You could engage with local providers of finance, such as banks, to come and talk through a variety of options with students, and students could have a look at/have a go at completing the types of forms that real enterprises would need to complete. Alternatively the provider of finance might want to see financial projection presentations of students to give them advice before the enterprise activity is undertaken.

Project guidance

- The coverage of this chapter links to task 2 of the project in which students need to show that they have research potential sources of finance for their enterprise activity and chosen the one that is best for their circumstances, justifying this choice.
- In task 4 students may evaluate the success of their choice of source of finance.

Suggested answers to activities

Activity 6.1

Leasing: You get to use a piece of equipment for a monthly fee, but the equipment belongs to the leasing company.

Bank overdraft: A form of short term lending by the bank when there is no money left in the enterprise's bank account.

Crowdfunding: Asking a large group of people for small amounts of money in return for either a stake in the company, or for a reward. It encourages investors by using websites and social media.

Personal savings: A small investment in a business which normally paid back plus some interest (a return on investment)

Bank loan: A larger, longer term, investment in an enterprise which is paid back with an agreed rate of interest.

Retained profits: Money that is kept aside from the profits of the enterprise so that it can be reinvested into the enterprise when it is needed.

Suggested answers to exam-style questions

- 1 Retained profits is money that is kept aside from the profits of the enterprise so that it can be reinvested into the enterprise when it is needed.
- 2 Students should recognise that crowdfunding was used in this start-up enterprise, and describe crowdfunding as asking a large group of people for small amounts of money in return for either a stake in the company, or for a reward. It encourages investors by using websites and social media. Other sources of finance suitable for start-up enterprises include personal savings, investment from family and friends, bank or building society loans, and other listed in Table 6.1 in the coursebook.
- 3 Students should pick a suitable source of finance for continued training, probably picking one from Table 6.2 in the book (however, other suitable sources of finance may be accepted). It should be simply described with one advantage and one disadvantage.
- 4 Students should give a very thorough evaluation of the suitability of the source(s) of finance used, apply knowledge and understanding of sources of finance using examples from their own enterprise project or another relevant enterprise. For the highest marks, their justification of the decision needs to be explicit and logical.
- 5 Students should be able to compare the advantages and disadvantages of various sources of finance applicable to the situation, and suggest why the bank loan would be the most suitable. For the highest marks students should explicitly and logically justify why a bank loan would be the most suitable.

Chapter 7 The concept of trade credit

Teaching ideas

In this unit students should develop an understanding of trade credit and its advantages and disadvantages for enterprises.

- Introduce students to the idea of credit where an enterprise may receive goods from their suppliers, make their goods or service, sell it, and use the proceeds to pay off the debt to the supplier.
- Go through trade credit agreements between enterprises and their supplier(s), ensuring that students understand the advantages and disadvantages to both parties.
- Scrutinise the simple trade agreement at the start of chapter 7 in the coursebook (if possible use a real trade credit agreement that is held by the school) and use this to:
 - Introduce the idea of discounting for early repayments and penalties for late payments.
 - Go through trade credit agreements between enterprises and their supplier(s), ensuring that students understand the advantages and disadvantages to both parties. Use scenarios to help illustrate the advantages and disadvantages. For example:
 - How would the school benefit from paying their trade credit early?
 - What would the consequences be for the school if it were not able to pay their trade credit agreement until 45 days after they had the goods?
 - Go through trade credit agreements between enterprises and their customers, ensuring that learners understand the advantages and disadvantages to both parties. Use scenarios to help illustrate the advantages and disadvantages for example:
 - Why would a supplier offer the school trade credit?
 - What issues would a supplier face if the school turned out to be a bad credit risk and just didn't pay for the goods/services they had received?
- Go through trade credit agreements between enterprises and their customers, ensuring that students understand the advantages and disadvantages to both parties.
- Consider inviting in a guest speaker from a local business to talk about the advantages and disadvantages to them of offering trade credit.
- Establish learner understanding of the key words of this topic by using the trade credit match-up activity in Worksheet 7.1

Project guidance

- Ensure that students are aware that trade credit is unlikely to be a source of finance for their enterprise activity; however, it may be mentioned in task 4 as a potential source of finance if they were to continue their enterprise and can establish the enterprise as creditworthy.
- There may also be an opportunity for students to negotiate trade credit deals with suppliers for their enterprise, especially the school. For example, students might wish to rent a space in school to run their enterprise but could negotiate to pay for this after the enterprise has run.

Worksheet 7.1: The concept of trade credit.

Activity: Match the key terms with their definitions.

Instructions:

Below are a list of key terms and definitions for the topic of Trade Credit which have become muddled up. You must match the skill with the correct definition.

Key term		Definition	
A	Suppliers	1	A person or organisation that buys goods/materials or services from an enterprise.
B	Trade payables	2	The amount of money owed to the enterprise by customers who have had goods or services but not yet paid for them.
C	Revenue	3	The movement of money in and out of an enterprise.
D	Customer	4	The amount of money owed by the enterprise to suppliers, such as for raw materials received but not paid for.
E	Trade receivables	5	Something that an enterprise might do for their customers (such as cleaning their windows).
F	Goods	6	The money that comes into an enterprise from selling goods and services.
G	Service	7	A person organisation that provides the goods/materials or services that an enterprise needs in order to operate.
H	Cash flow	8	The finished products sold by an enterprise to its customers.

Suggested answers to activities

Activity 7.1

	Advantages	Disadvantages
Enterprise and its suppliers	<p>The enterprise is able to buy goods now and pay later from revenue.</p> <p>The enterprise may get a discount for early payment.</p> <p>Trade credit encourages repeat business for suppliers.</p>	<p>The enterprise will pay a penalty for late payments.</p> <p>Suppliers may have to spend time chasing late payments which costs money.</p>
Enterprise and its customers	<p>The enterprise can encourage loyalty and repeat business by offering trade credit deals.</p> <p>Customers are able to buy goods now and pay later using revenue.</p> <p>Customers may get a discount on goods for early payments.</p>	<p>The enterprise must take a risk of late payment or non-payment. This will impact upon the finances of the enterprise.</p> <p>There are additional costs to the enterprise in chasing late or non-paying customers.</p> <p>Customers will face a penalty if they pay late.</p>

Suggested answers to exam-style questions

- Trade credit means that an enterprise can buy the items that it needs and then have an agreed number of days in which to pay the supplier.
- Students should explain that it is unlikely that a start-up will get trade credit because it will not have established its capacity to pay debts. This is because potential lenders would look at the financial records of the business to establish this capacity and a start-up will have no/little financial record. However, a start-up enterprise may be able to increase the likelihood of gaining trade credit if it properly researches and forecasts its finances. Verifiable forecasts may encourage lenders to allow small amounts of trade credit. Once the enterprise has proven it can pay these small amounts of trade credit, lenders will be more willing to increase the trade credit offered.
- Students should offer an explanation of the advantages and disadvantages of trade credit and apply their information explicitly and logically to enterprises, suppliers and customers. Students should be making use of the answers of Activity 7.1.

Suggested answers to Worksheet 7.1

A - 7; B - 4; C - 6; D - 1; E - 2; F - 8; G - 5; H - 3.

Chapter 8 Cash flow, break-even and income statement

Teaching ideas

In this chapter students should develop an understanding of cash flow, break-even and income statements. In addition, they need to learn how to create and interpret these financial documents so that they are able to evaluate the financial performance of an enterprise.

- Introduce students to the concept that enterprises need to forecast, analyse, evaluate and manage their financial situations. Also ensure that students understand that other organisations will be interested in the finances of an enterprise, such as investors, lenders, the government (for taxation purposes), suppliers and competitors.
- Use Activity 8.1 as a prompt for students to consider how money flows in and out of an enterprise.
- Explain the concept of cash flow forecast as a tool used to predict what can happen to the finances of the enterprise in the short term. Ensure that students grasp that the forecast only shows the cash flow of the business, it does not predict profit and loss.
- Use the case study on David's low-calorie cakes to help develop students' understanding of how a cash flow document is created and how it can be used to forecast how changes impact on the cash position of the enterprise.
- Use Activity 8.2 to show students how to create a simple cash flow.
- Demonstrate how break-even is used by enterprises to work out how many units they need to sell before they have covered all their costs, that selling less than this means the enterprise makes a loss, and selling more than this means the enterprise is making a profit.
- Use Activity 8.3 to check students understand how to calculate break-even.
- Go through how the income statement is a historical record of the finances of the enterprise, showing profit or loss. It is a vital document that will be scrutinised by a variety of stakeholders.

Project guidance

As part of their planning in task 2, students may want to create a cash flow forecast and do a break-even calculation. In task 4 they can compare the real figures of their enterprise to their predictions, give reasons for deviations, and establish how they can make their predictions more accurate in future. Students may also want to create an income statement to support their financial evaluation and analysis in task 4.

Suggested answers to activities

Activity 8.1

In = sales revenue/income/receipts, interest on money in bank, loans, grants.

Out = wages/salaries, overheads (electricity, gas, phone), purchase of materials for production.

Activity 8.2

Cash flow forecast for the period January to June: Antoine's Enterprise							
	Jan	Feb	Mar	Apr	May	Jun	Total for the period
Income							
Capital	RWF 109,302.00						RWF 109,302.00
Loan	RWF 54,651.00						RWF 54,651.00
Sales revenue	RWF 98,372.00	RWF 98,372.00	RWF 98,372.00	RWF 98,372.00	RWF 98,372.00	RWF 98,372.00	RWF 590,232.00
Total income	RWF 262,325.00	RWF 98,372.00	RWF 98,372.00	RWF 98,372.00	RWF 98,372.00	RWF 98,372.00	RWF 754,185.00
Expenditure							
Equipment	RWF 163,954.00						RWF 163,954.00
Stock	RWF 54,651.00	RWF 54,651.00	RWF 54,651.00	RWF 54,651.00	RWF 54,651.00	RWF 54,651.00	RWF 327,906.00
Other expenses	RWF 21,860.00	RWF 21,860.00	RWF 21,860.00	RWF 21,860.00	RWF 21,860.00	RWF 21,860.00	RWF 131,160.00
Total expenditure	RWF 240,465.00	RWF 76,511.00	RWF 76,511.00	RWF 76,511.00	RWF 76,511.00	RWF 76,511.00	RWF 623,020.00
Opening bank balance	RWF -	RWF 21,860.00	RWF 43,721.00	RWF 65,582.00	RWF 87,443.00	RWF 109,304.00	RWF -
Total income	RWF 262,325.00	RWF 98,372.00	RWF 98,372.00	RWF 98,372.00	RWF 98,372.00	RWF 98,372.00	RWF 754,185.00
Total expenditure	RWF 240,465.00	RWF 76,511.00	RWF 76,511.00	RWF 76,511.00	RWF 76,511.00	RWF 76,511.00	RWF 623,020.00
Closing bank balance	RWF 21,860.00	RWF 43,721.00	RWF 65,582.00	RWF 87,443.00	RWF 109,304.00	RWF 131,165.00	RWF 131,165.00

Activity 8.3

- Fixed costs = \$5000
- Variable costs per unit = \$10
- Sales price per unit = \$20
- $5000 \div (20 - 10) = 500$ units

Suggested answers to case studies

David's low-calorie cakes

- 1 Six months from January to June.
- 2 The column on the far right-hand side shows the totals of each row for the 6-month period. It is used to do an overall calculation for the period of the cash flow forecast, which should create a closing bank balance that is equal to the closing bank balance for the final month. Students should note that the opening bank balance for the period is zero, the same as it is for January, and not the total of the opening bank balances for the period (this is a common error).
- 3 The closing bank balance is increasing by \$500 a month.

- 4 Yes, the enterprise would still have a positive bank balance. In January the bank balance would start at \$2,000 and after 6 months it would be at \$4,500. See below:

Cash flow forecast for the period January to June: David's Low Calorie Cakes							
	Jan	Feb	Mar	Apr	May	Jun	Total for the period
Income							
Capital	\$ 17,000.00						\$ 17,000.00
Grant							\$ -
Sales revenue	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 120,000.00
Total income	\$ 37,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 137,000.00
Expenditure							
Baking equipment	\$ 4,000.00						\$ 4,000.00
Store fixtures and fittings	\$ 7,000.00						\$ 7,000.00
Office equipment	\$ 3,500.00						\$ 3,500.00
Marketing	\$ 2,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 10,000.00
Raw materials	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 72,000.00
Staff wages	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 18,000.00
Utility bills (gas, water, electric)	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 18,000.00
Total expenditure	\$ 35,000.00	\$ 19,500.00	\$ 19,500.00	\$ 19,500.00	\$ 19,500.00	\$ 19,500.00	\$ 132,500.00
Opening bank balance	\$ -	\$ 2,000.00	\$ 2,500.00	\$ 3,000.00	\$ 3,500.00	\$ 4,000.00	\$ -
Total income	\$ 37,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 137,000.00
Total expenditure	\$ 35,000.00	\$ 19,500.00	\$ 19,500.00	\$ 19,500.00	\$ 19,500.00	\$ 19,500.00	\$ 132,500.00
Closing bank balance	\$ 2,000.00	\$ 2,500.00	\$ 3,000.00	\$ 3,500.00	\$ 4,000.00	\$ 4,500.00	\$ 4,500.00

- 5 In January the bank balance would be \$2,000. However, by February it would have dropped by \$1,500 to \$500. This \$1,500 a month drop would continue happening so that at the end of the period the bank balance would be -\$5,500. See below:

Cash flow forecast for the period January to June: David's Low Calorie Cakes							
	Jan	Feb	Mar	Apr	May	Jun	Total for the period
Income							
Capital	\$ 17,000.00						\$ 17,000.00
Grant	\$ 2,000.00						\$ 2,000.00
Sales revenue	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 108,000.00
Total income	\$ 37,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 127,000.00
Expenditure							
Baking equipment	\$ 4,000.00						\$ 4,000.00
Store fixtures and fittings	\$ 7,000.00						\$ 7,000.00
Office equipment	\$ 3,500.00						\$ 3,500.00
Marketing	\$ 2,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 10,000.00
Raw materials	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 72,000.00
Staff wages	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 18,000.00
Utility bills (gas, water, electric)	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 18,000.00
Total expenditure	\$ 35,000.00	\$ 19,500.00	\$ 19,500.00	\$ 19,500.00	\$ 19,500.00	\$ 19,500.00	\$ 132,500.00
Opening bank balance	\$ -	\$ 2,000.00	\$ 500.00	-\$ 1,000.00	-\$ 2,500.00	-\$ 4,000.00	\$ -
Total income	\$ 37,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 127,000.00
Total expenditure	\$ 35,000.00	\$ 19,500.00	\$ 19,500.00	\$ 19,500.00	\$ 19,500.00	\$ 19,500.00	\$ 132,500.00
Closing bank balance	\$ 2,000.00	\$ 500.00	-\$ 1,000.00	-\$ 2,500.00	-\$ 4,000.00	-\$ 5,500.00	-\$ 5,500.00

- 6 There are several steps that could be taken such as:
- Investigate the variable costs. If less sales are being made it is likely that less products are being made so variable costs may be reduced.
 - Consider increasing marketing in the short term to increase sales.
 - As less is being sold, the enterprise could produce less and therefore may not need to pay so much for utilities (water, gas and electricity).
 - Other budgets such as staff wages or marketing could be reduced, bearing in mind laws about minimum pay that the enterprise needs to abide by; however, reducing marketing may mean that sales drop further.

Suggested answers to exam-style questions

- 1 Profit is when the revenue of an enterprise exceeds the expenditure of an enterprise.
- 2 Variable cost = cost of sales (directly linked to production); fixed cost = wages, rent, business tax, insurance, advertising, administrative expenses (not directly linked to production).
- 3 Students should explain that a cash flow forecast uses information about all the cash that comes into an enterprise and all the cash that goes out of an enterprise to predict what might happen in its short term financial future. For the top mark band students should give examples of how the cash flow forecast is used.
- 4 Student correctly completes the income statement. One mark for each correct calculation.

Mika's florist.	
Income statement for the year ending 31st December 2017	
Income:	
Sales revenue	\$ 69,500.00
Cost of sales	<u>\$ 36,000.00</u>
Gross profit	\$ 33,500.00
Expenditure:	
Wages	\$ 20,700.00
Rent	\$ 7,400.00
Business tax	\$ 5,300.00
Insurance	\$ 1,200.00
Advertising	\$ 850.00
Admin expenses	<u>\$ 1,000.00</u>
Net Profit	– \$ 2,950.00

- 5 Students could consider effects of poor record-keeping on the stakeholders in the enterprise. For example:
 - The enterprise may not be able to prove to lenders it can pay loads.
 - Suppliers may not be willing to provide trade credit if an enterprise cannot prove it is able to pay its bills.
 - Government will want to investigate records to ensure the right amount of tax is being paid.

For the highest marks, students must consider the implications to the enterprise.

Chapter 9 Marketing

Teaching ideas

In this chapter students will learn how marketing can be used to achieve different aims for an enterprise, and the variety of methods that can be used.

- Start with a simple quiz or discussion using Activity 9.1 to find out what students understand by the term marketing, and why it is important.
- Students research examples of marketing used by local enterprises and explain the purpose behind this marketing – information is presented to the whole class.
- Teacher presentation about customer retention and why it is important. Use Activity 9.2 to explore students' personal experience of brand loyalty.
- Students research methods used by local and national enterprises, and present information to the class. Alternatively, invite local entrepreneurs to discuss customer retention within their enterprise.
- Students produce a simple customer satisfaction survey that can be used in school (Activity 9.3).
- Before starting this section, ask students to collect examples of marketing communications used by different enterprises. In pairs or small groups ask students to discuss how effective they think each one is. Each group can report findings back to the class.
- As a class, discuss and agree a checklist of factors to consider choosing a method of advertising. Students can be given activities where they have to choose the most suitable methods of promotion for an enterprise and give reasons for choice.
- Students produce an example of a marketing communication for a given scenario, for example a simple classroom item. Each student should give a short presentation to the class (or smaller group) showing the marketing communication produced and explain their choice.

Project guidance

- Students could choose the marketing communication option as part of their project. If so, everyone will have to give a short individual presentation outlining their proposed options. In addition, they will have to provide a detailed written explanation. Students should not rely on the slides to provide the level of detail required, as slides should only be used to summarise and not explain points.
- Students should select no more than 3 or 4 different options to discuss. It is important that student develop their explanations, showing how and why each method might be suitable for their specific project. Students should be also be discouraged from providing general lists of advantages and disadvantages. For each point, they need to explain why it would be relevant to their project.
- Students should be encouraged to produce their own examples of marketing communication for their project. Although not assessed, the materials can still be used as evidence. For example, enterprise skills such as creativity and as evidence when evaluating marketing communication.

Worksheet 9.1

Marketing communications and the law

You must be careful what you say or suggest when creating your marketing communications.

Read the following examples of marketing communication. Which ones do you think are likely to be legal? Can you find some real examples of legal and non-legal marketing communications from your country?



Visit V&J's for a great range of toys and gifts


Great prices guaranteed
or your money back!

People would do anything for
one of our phones cases



Steal yourself away and visit our
stall

Once you try our brownies, you
won't want to eat any others



5 a-side tournament coming soon
Look out for more details

Additional activity

Prepare a set of simple guidelines to help enterprises to advertise legally in your local area.

Suggested answers to activities

Activity 9.1

Students' own answers based on idea of anticipating, identifying and satisfying customer needs. Reasons might include: find out about level of demand, what customers like or dislike in terms of prices, colours, styles, find out competitors products and prices, information about prices, busy times and locations

Activity 9.2

Students' own answers.

Activity 9.3

Students' own answers. Questions will depend on the topic selected, but may include questions such as: how satisfied are you with [X], what did you enjoy most about [X], how likely are you to use/buy [X] again, would you recommend [X] to others?

Activity 9.4

Students own answer. Points to consider might include: sounds and movement, use of colour and images, key words and phrases, who is promoting the product, what is being advertised.

Activity 9.5

Students' own answers based on the methods discussed.

Activity 9.6

Students' own answers. Features may include:

- examples of products
- location of her stall and times
- banner indicating that this is a new product.

Activity 9.7

There are a variety of possible options for both scenarios. Answer depends on options discussed. For example:

Food retailer – options could include:

- television
- newspapers
- social media campaigns
- posters.

T-shirt seller – options could include:

- leaflets and flyers
- social media campaigns
- word of mouth
- posters.

Suggested answers to case studies

Customer retention strategies

Students' own answers.

Gabriel's food stall

1 Students' own answers.

Points might include:

- help ensure steady income
- 'free' word of mouth advertising if customers are happy
- reduced cost of advertising.

2 Advantages might include:

- encourage customers to return increasing brand loyalty
- increase frequency of customers sales/income
- can help attract new people to visit, leading to additional sales.

Disadvantages might include:

- costs money, as giving one drink away for free cuts into profit margin
- can damage image – as people may think it's a cheap product.

3 Methods could include:

- improve quality
- widen range of products
- offer good service
- resolve complaints quickly
- ask for feedback
- provide detailed information about product.

The final choice will depend on the options discussed.

Suggested answers to exam-style questions

- 1 Customer retention measures how loyal customers are to an enterprise (and the likelihood of them buying its products or services again).
- 2 Options could include:
 - communicate with customers so they remember your business when they next need weeds removing from their garden
 - widen range of services offered such as painting fences in addition to garden tidy so customers can do not need to go to other businesses to get work done
 - offer good service when cutting the grass so customers want to use CC again
 - resolve any complaints quickly so that
 - ask for feedback about the gardening work done so that customers think their views are valued / important
 - loyalty or reward schemes – such as 1 free grass cut 4 times so customers have an incentive to return

- 3 Factors could include:
- cost – as a new enterprise will not have a lot of finance available
 - Clocation – as local should focus his marketing on this area
 - target market – as it includes people over the age of 50, methods need to be suitable and in locations where target market likely to see it.

- 4 Students' own answers.

Methods might include: leaflets and flyers, posters, social media, announcements, word of mouth. Points to consider when evaluating effectiveness might include: cost, where and when used, ability to change, how well seen or influence it had on your customers

- 5 Any option possible. See Table 9.1 (pp.110–11) for advantages and disadvantages of the different methods of marketing communication. For example, social media is cheaper than other options, but will people over 50 years old use/see it? Posters can target a certain location, but can be damaged easily. Newspaper adverts can be kept for future reference but fewer people read papers these days. The student's decision must be supported, and should be based on factors discussed.

Suggested answers to Worksheet 9.1

Note answers are subject to laws and regulations in own country

- 1
- Wording is fine, but care is needed as image suggests the products are handmade, which may be untrue.
 - **Great prices:** is legal as long as enterprise does honour the guarantee.
 - **Brownies:** legal, this is clearly only an opinion.
 - **Phone cases:** illegal, as appears to encourage people to commit criminal acts to obtain its products.
 - **Football:** possibly illegal in some countries as it discriminates against girls.
- 2 Students' own answers based on local circumstances.

Chapter 10 Negotiation

Teaching ideas

In this chapter students will learn about negotiation and its different stages.

- Introduce negotiation using online video clips. See resources for suggestions. Students write a tweet or text message summary of what negotiation is. Students list possible reasons when negotiation might be used.
- Discuss the stages of negotiation. Students research and note the main features of each stage and produce a flow chart or leaflet suitable for display in the classroom.
- Use Activities 10.3–10.5 to practise skills needed for negotiation.
- Use Activity 10.6 to allow students to practice their negotiation skills.
Provide students with a simple scenario – for example a price negotiation (see resources). Pairs of students have to prepare and then carry out a brief negotiation.
- Invite a person from a local enterprise or organisation to talk to the students about how they approach negotiation or arrange for the person take part in a series of practice negotiations.

Project guidance

- Students must provide a plan for negotiation and carry out their own actual negotiation as part of their project.
- Negotiation involves a range of skills, including listening and pitching. These skills often take time to develop so it is important to ensure that students have plenty of opportunity to practise and develop these skills.
- Remind students that the outcome of the negotiation does not need to be successful to be included as evidence for the project.

Worksheet 10.1: What to say when negotiating

During any negotiation, whatever happens, you should always be polite. How you say something is just as important as what you say.

Below is a list of phrases that can be used to show you **agree** or **disagree** with the other party.

Identify the phrases that could be used to agree with others, and those that could be used to disagree with others.

That wouldn't go down well with the rest of my team	That's a good point
That could be a problem	I'm sorry but I cannot accept that
That does not sound fair to me	Okay. It's a shame we couldn't agree
We don't seem to be getting anywhere with this	I understand what you are saying, but ...
That's OK as long as I can have ...	That's really helpful
How would you feel about ...?	I was hoping for better terms
That sounds like a good offer	That's OK, this way we both benefit

Identify **five** other helpful phrases you could use when negotiating.

Try to use some of these phrases when you are next involved in a negotiation.

Suggested answers to activities

Activity 10.1

Students' own answers, based on how they feel after each round. They are likely to respond more positively to explanation and persuasion rather than being forced to move without explanation.

Activity 10.2

Benefits of the proposal might include:

- the chance to develop enterprise skills
- the stall could make some money
- the stall could indirectly help promote the school.

Drawbacks of the proposal might include:

- less time to spend on schoolwork
- any issues could reflect badly on the school.

Activity 10.3

Students' own answers based on items selected.

Activity 10.4

Students' own answers.

Activity 10.5

Students' own answers. A student debrief is a good way to help them evaluate the success of the various strategies.

Activity 10.6

Students' own answers.

Suggested answers to exam-style questions

- 1 Negotiation is the process of discussion in order to reach agreement on a course of action (or solve a dispute) that satisfies the interests of all involved.
- 2 Questions might include:
 - How am I going to counter their objections?
 - Have I listed the consequences for both sides if my proposal is not accepted?
 - Have I thought about what to say and how to say it?
 - Have I considered whom I am going to negotiate with?
 - Have I selected a suitable negotiating style and strategy?
 - Are my objectives SMART?
 - What points am I willing to give ground on?
 - At what point will I walk away from the negotiation, and why?
- 3 Points might include:
 - have clear objectives so Milo knows what he is willing to accept
 - good communication skills e.g., listening carefully to the supplier so he sees that Milo is serious
 - prepare a list of benefits so Milo can show the supplier why he should want to help him set up his stall
 - identify and anticipate drawbacks so Milo is ready with sensible solutions/answers to questions
 - have list of alternative options so Milo is able to suggest compromises or alternative options
 - practise negotiation skills to be ready to deal with a range of situations.
 - Students' own answers based on own negotiation.

Some possible points are identified in Q3

Suggested answers to Worksheet 10.1

Points that show agreement:

- That's OK as long as I can have ...
- How would you feel about ...?
- That sounds like a good offer
- That's a good point
- That's really helpful
- That's OK, this way we both benefit.

Points that show disagreement:

- That wouldn't go down well with the rest of my team
- That could be a problem
- That does not sound fair to me
- We don't seem to be getting anywhere with this
- I'm sorry but I cannot accept that
- OK. It's a shame we couldn't agree
- I understand what you are saying, but ...
- I was hoping for better terms.

Other phrases might include:

Starting –

- Let's begin the discussion with ...
- We are pleased that you could come today
- Today we are going to talk about ...

Ending –

- It's been a pleasure doing business with you.

Disagree –

- I have to disagree.

Finding a compromise –

- Provided you will ... I think that would work

Clarifying –

- As I understand it
- Please correct me if I am wrong
- Did you mean?
- So what you are saying is ...

Summing up –

- So the deal is ...

Chapter 11 Communication

Teaching ideas

In this unit students should learn about appropriate communication within an enterprise. In preparation for coursework there is a focus on:

- preparing for, running and recording a meeting
- using slides, handouts and visual aids in a presentation
- writing a formal report.

Introduce students to the idea that communication is about accurately passing a message to others that is then acted upon. (You could potentially link this with marketing.)

- Use scenarios or examples to introduce the idea of formal communication and in what situations it is more appropriate to use written or verbal communication. You could use this as an opportunity to develop an important life skill and get students to undertake a practice application for a fictional job.
- You could introduce the concept of non-verbal communication to students using the numerous videos available online (for example on YouTube) which demonstrate good and poor non-verbal communication and the impact it can have on formal communication.
- Ask students to investigate international differences in non-verbal communication.
- You could help students to practise non-verbal communication skills by interviewing them for the fictional job that they have applied for.
- Introduce the idea that sometimes informal communication is acceptable in enterprise.
- Use Activity 11.1 to check understanding of when to use formal or informal communication.
- Introduce the idea as to why an enterprise needs to hold meetings. A useful activity is to give students brief scenarios in which they judge which meeting would be the most appropriate.
- Go through the theory of organising a meeting alongside students practically organising meetings for their enterprise, including all relevant paperwork. It is often a good idea for students to observe other meetings where possible, and see exemplar paperwork.
- Go through the theory of evaluating a meeting. Students should evaluate the mini case study 'Valentina's awful meetings'. Encourage students to evaluate a meeting that they have either observed or participated in. This evaluation could be in the form of a short report.
- This section is intended as a practical guide for students when they create their presentations for task 2 of the coursework. However, it is often beneficial for students to undertake presentations prior to this point to develop their skills.

Project guidance

Students will make use of their communication skills throughout the enterprise project, and will be assessed on their ability to communicate clearly in the most appropriate manner. It is important that they are given significant opportunity to develop their presentation skills prior to undertaking the coursework.

Suggested answers to activities

Activity 11.1

- **You have been asked to attend a meeting with your suppliers to negotiate a cheaper deal:** In this situation the meeting is to do something official with an organisation, group or individual with whom you should be polite and show respect. This is formal communication.
- **You are meeting with your manager to discuss a potential promotion:** In this situation you are meeting to do something official with an individual with whom you should be polite and show respect. This is formal communication.
- **Your friend works in a different department of the same enterprise: You are going to meet them at lunch time to catch up on all the gossip.** In this situation you are meeting to do something unofficial with an individual, so this is informal communication.

Suggested answers to case study

Valentina's awful meetings

- 1 Ideas could include:
 - too many agenda items
 - employees complaining
 - minutes of previous meetings not being sent out
 - using lack of minutes from meetings as an excuse not to do an allocated job
 - arguments about taking the minutes meaning Valentina did it herself and therefore could not concentrate on her role as chairperson
 - documentation not going out prior to the meeting so time was wasted during the meeting reading the documents rather than discussing them and making decisions.
- 2 Ideas could include:
 - Reduce the number of items on the agenda. Could some be communicated to her team in different ways, such as email?
 - Ensure that a rota is agreed for team members to take notes for the minutes in the meeting so that there are no arguments. This will free Valentina to undertake the role of chairperson and control things like staff using the meeting to complain. She will be able to ensure there are strict time limits on discussions.
 - Making sure that minutes go out promptly after each meeting. This way, no one can use this as an excuse for not doing a job which they have been allocated.
 - Ensure that all documents needed for the meeting are sent out with enough time for everyone to read them so that they come to the meeting fully informed, ready to discuss and able to make decisions.

Suggested answers to exam-style questions

- 1 Formal communication is official communication that is polite and respectful and uses conventional spelling, punctuation and grammar.
- 2 Students should be able to give several points regarding how non-verbal communication can reinforce or confuse the message that the sender is trying to communicate. See Table 11.1 in the textbook.
- 3 Students should be able to explain the difference in audience in the two situations given and why formal and informal communications are or are not appropriate in each situation.
- 4 Students will need to identify the communication methods they used and why. They will need to give an account of both the good aspects of their communications and the poorer aspects of their communications. Good answers will make judgements about how their communications impacted on the success of the enterprise.
- 5 Students are likely to describe one of the reasons to hold meetings given on pages 134 and 135 of the textbook (managing a project, managing people, working with a customer, other methods of communication are becoming too complex, problems are arising, training people, conferences).
- 6 The chairperson makes sure the meeting stays on track and achieves the desired outcome. They should set the rules for the meeting to make sure that everyone has a chance to voice their opinion and be part of the decisions that need to be made. They also have to make sure that people don't spend too long discussing one matter on the agenda so that other items don't get talked about.
- 7 Students will need to identify meetings, reports and presentations they used and why. They will need to give an account of both the good aspects of their meetings/reports/presentations and the poorer aspects of these. Good answers will make judgements about how their meetings/reports/presentations impacted on the success of the enterprise.

Chapter 12 Help and support for enterprise

Teaching ideas

In this chapter students will learn how they can find help and support for an enterprise.

- Introduce the idea of formal and informal sources of help for business enterprises and ask students to brainstorm in pairs and come up with some sources of support for each category. This could be extended by asking students to think about which source might be the most suitable to a new entrepreneur.
- Start to draw a visual list (tree diagram or table) of the different sources identified by the pupils, with the subheadings formal and informal sources of support.
- Explain the government/business agencies source of help and ask pupils to go through the The Umm Al Moumineen Women's Association case study in groups of 3, answering questions and making notes.
- Discuss the questions as a class. As an enrichment task, question the more able to assess the positives and limitations of government/business agencies as a source of help.
- Explain the remaining formal sources of support. Pupils to discuss the NFTE case study in pairs/groups of 3. Go through the questions on the case study as a class. This will help them understand how these sources of support have benefitted some enterprises.
- Update the visual list on the board as the sources are discussed.
- Develop their learning by asking which source out of the 2 sources mentioned in the case studies do they think is the most useful and why? Direct answers towards a dependency on the nature of the business and its needs.
- Set students to do Activity 12.1. Make sure they have the internet or business journals to do the research, otherwise set it as a homework task. Pupils to present their findings to the class. This task can be extended by asking students to do more research on other formal sources of support in their area/country.
- Question the children on what might be an informal source of help? Add suitable points to the visual list on the board. The complete visual list of informal and formal sources of help will be useful in consolidating the content covered in this topic.
- Worksheet 12.1 provides practice for students at identifying and explaining the support provided by different types of organisation.
- Ask students to think about their projects and which source of support is the most suitable to their enterprise. Lead a discussion on the suitability of each type of source being dependent on the nature of the business and its needs (this would have been alluded to before but should now be clearer for pupils to understand).
- Invite a person from a local business networking group or a business council to talk to the students about the kind of support they provide.

Project guidance

- The content in this chapter mainly correlates with the work required in task 3 of the enterprise project: Implementing your enterprise project.
- Students should research the possible sources of support locally and nationally available to the enterprise that they want to start.
- The write-up for task 3 should show good evidence of their knowledge of enterprise skills using various communication methods. It should include notes on the formal and informal sources of help available and which source of help the student used and how it helped.

Worksheet 12.1

Organisation	Type of support provided
TV media – Dragons’ Den	
Social media networking – Youth Entrepreneur Malaysia	
Casual networking – MAKE business hub	
Start-up funding support – Ruwad Establishment	
Youth network – ASEANpreneurs	
Mentoring programme – Mowgli Mentoring	

Suggested answers to activities

Activity 12.1

This is a research-based activity and requires the students to have access to the internet or local business journals. The school may have to facilitate this for some students if they do not have access to the internet or if they are unable to obtain local business news.

Students can make a report on the formal and informal support available to local businesses. They could interview local businesses to understand the challenges they face and any support they have had has been useful.

Suggested answers to case studies

The Umm Al Moumineen Women's Association

- 1 The women's association offers support by:
 - operating a centre for continuous education to educate young girls
 - holding exhibitions, providing home entrepreneurs an opportunity to showcase their products
 - conducting workshops where women can earn money by doing traditional activities
 - conducting entrepreneurship training programs and information sessions for women. They are given information on how to gain start-up capital and market their products.
- 2 Women entrepreneurs may not have had the opportunity to complete their education and so may lack the skills needed to start and run an enterprise. They may also lack the funds needed to start a business and the lack of education may make it difficult for women to obtain loans.
- 3 The UAE government may want to:
 - preserve traditional activities as part of the country's cultural heritage
 - facilitate that women grow their interests into money-making businesses
 - improve the status of women in the society.

Peter's Party Favours

- 1 Small businesses would have limited resources and capital and training programs can inform and point the entrepreneurs to sources of help and support and finance. It also provides them the skills and knowledge needed to start and run a business and the opportunity to network with fellow trainees.
- 2 Omayra may have faced some of the following challenges:
 - lack of confidence
 - limited finance
 - not aware of various sources of finance available
 - unaware of the laws and regulations pertaining to his enterprise
 - skills to grow a hobby/interest in to a money-making business
 - lack of knowledge of how to best market his product
 - lack of knowledge of the market and competition.

Help and support for entrepreneurs

- 1 Programmes like Dragons' Den can help by providing small enterprises with the required capital, expert advice and use of existing business networks to expand and grow their business.
- 2–3 Any answer accepted as long as it is justified. For example, if social media is stated then the reasoning can be that it has a wider reach both geographically and audience.

Suggested answers to exam-style questions

- 1 Financial institutions can provide various types of loans catered to the needs to the entrepreneur, e.g. asset loans (borrowing money against an asset that you own) and micro loans (small amounts). They can provide financial advice. They can provide encouragement and support to keep going when things are not going as expected.
- 2 It isn't easy for entrepreneurs to get business loans, therefore family and friends are often the first people entrepreneurs turn to, as a source of seed/initial capital for their new business enterprise. They can often also offer personal encouragement, informal advice and practical help in the form of unpaid or cheap 'mate's rates' labour.
- 3 The MAKE business hub café helps entrepreneurs in the following ways:
 - It offers communal work spaces, private meeting rooms, charging stations and presentation equipment. It provides them the office resources they need to work without having to setup an office and incurring high costs. This makes working easy for Dubai's self-employed and professionals on the go and gives the support that entrepreneurs need when they are just starting and setting up their business.
 - It provides a great networking opportunity for individuals to meet and form connections with other entrepreneurs. Meeting other like-minded individuals can be very helpful to exchange ideas, get guidance and explore possible collaborations. The café provides this opportunity to anyone who can pay for the services of the café.
- 4 The government can provide help and support for enterprises in various different ways as detailed in the relevant section at the start of the chapter, so students should include ways such as grants and loans, subsidies, dedicated agencies, training and tax incentives.
- 5 Students should have identified both the formal and informal sources of help available to their enterprise. The sources of help should be specific to the industry, local area and country that they are in and not just general as mentioned in the course book. Students should analyse the benefit from each source and then evaluate which they think is the best.

Suggested answers to Worksheet 12.1

Organisation	Type of support provided
TV media – Dragons' Den	<p>Providing capital needed to start their business.</p> <p>Providing advice and business contacts to start and grow a new business.</p>
Social media networking – Youth Entrepreneur Malaysia	It aims to bring together the young entrepreneurs in Malaysia by initiating and supporting entrepreneurship and business conferences for experienced and young entrepreneurs.
Casual networking – MAKE business hub	It offers various communal work spaces, private meeting rooms, charging stations and presentation equipment. It makes working easy for Dubai's self-employed, start-up entrepreneurs and professionals on the go. It provides a great networking opportunity for individuals to meet and form connections.
Start-up funding support – Ruwad Establishment	It provides start-up funding in form of an interest-free loan (up to AED 300,000), or in form of a bank loan that Ruwad helps to arrange/negotiate with an Islamic bank (up to AED 1 million).
Youth network – ASEANpreneurs	Its main aim is to inspire youth and encourage entrepreneurship in the ASEAN region. It organises regular events to bring together aspiring entrepreneurs and business leaders to promote sharing and discussion of business ideas, gain guidance and possibly meet potential business partners.
Mentoring programme – Mowgli Mentoring	It offers mentoring support to upcoming entrepreneurs by bringing together groups of mentors and entrepreneurs together for an initial training session, to build relationships, match them together in one-to-one pairs and then follow it up by online support for a year.

Chapter 13 Evaluation

Teaching ideas

This chapter mainly focuses on the AO3 skills of analysis and evaluation. These skills can take time to develop so it is important to ensure that students have plenty of opportunity to practise and develop the skills needed from the start of the course.

- Give students a simple activity in which students are asked to make a choice and give reasons for their decision. This can lead into a group discussion about what analysis and evaluation is.
- Throughout the course, give students a range of activities in which they are required to use analysis and evaluation skills. Start with simple problems or situations, to allow them to gain confidence and experience in using their analysis and evaluation skills.
- At various stages throughout the course, provide students with a range of scenarios, and vary the type of problems according to student's ability and development. Students can practise their analysis and evaluation skills using Worksheet 13.1.

Project guidance

Students must use analysis and evaluation skills when choosing a suitable project, planning the project and evaluating the project.

When evaluating the project, remind students that there are many things that happen during the project that they can comment on. Not everything will go well or badly, so it is important to keep a note of all significant events as this can be used as both an area for discussion, and evidence to support points made.

Worksheet 13.1

- 1 Below is a list of five statements and possible analysis points, but they have become muddled up. Can you match the statement with the correct analysis?

Statement		Possible analysis	
A	We created colourful fliers which turned out to be a huge success.	1	As a result I was able to think carefully how I could persuade my parents to invest in my project.
B	We communicated by using WhatsApp. As we both had good internet access this was an effective method.	2	This allowed us to work more efficiently as we were not trying to do everything at the same time.
C	We created an action plan to outline what was being completed and by when.	3	Because I didn't have to pay anyone back or owe anyone any interest which meant I did make a small profit.
D	I choose to use my own savings as a source of finance and this turned out to be a great idea.	4	As they were very convincing and many people contacted us straight after they received the flyer to order our product.
E	Planning for my negotiation was important as I was able to work out the advantages and disadvantages of accepting my proposal.	5	This meant that sometimes we could make decisions without having to have a meeting so we could get things done sooner.

- 2 Using activities from your project, write down **five** statements about how well your plans were implemented. For each statement write a possible analysis point.

Suggested answers to activities

Activity 13.1

Students' own answers

Activity 13.2

Lack of experience:

- WHY? Because the entrepreneur didn't know enough about costs involved.
- WHY? Because they hadn't run a business before.
- WHY? Because they had only just left school, so had not been able to practise skills needed.

Activity 13.3

Factors could include:

- additional business – could create jobs/income for local people
- could attract other enterprises to set up creating more opportunities for jobs
- could increase competition for existing businesses leading to lower sales revenue
- pollution – noise from airport could disturbing the peace and there might be a potential health impact.
- loss of green space and use of resources so fewer resources available for future generations to use.
- it could be a source of revenue for the government, so they might be able to provide services for all the community.

Activity 13.4

Evidence – no market research had been carried out.

Additional evidence could include: jam instead of product; use actual numbers rather than saying 'lost some customers'.

Activity 13.5

Criteria will depend on situation.

Points might include: cost, availability, suitability for purpose or ease of use, required features (could be listed separately).

Activity 13.6

Possible points in the evaluation could include:

- Caleb will have the control he is looking for; additional skills offered by the partner are helpful but not essential.
- Research shows three or four potential customers, so the bank may be willing to provide finance based on this. These potential customers lessen the need for someone to help with marketing.
- Caleb would have to share the profits so he may not see any personal benefit from additional sales.
- Caleb would also have to discuss ideas, which could take longer, and what would happen if they do not agree? Not only could this damage the business, but it could also affect their friendship.

The most significant factor for being a sole trader is the reason why Caleb wants to set up his enterprise – he likes idea of making his own decisions. While he may make mistakes, the only way he can achieve this goal is by becoming a sole trader.

Activity 13.7

What is wrong?

- Descriptive – states outcomes and outlines what group did rather than discuss the implications of the actions.
- No supporting evidence from project to illustrate issues.
- Section also covers financial issues that are not relevant to the planning, so should not be discussed here.

Improvements might include:

- What was the problem caused by the prices set – how did this affect the enterprise?
- Provide examples of the planning problems – again, need more examples to support points being made.
- ‘Finance went well’ – this should be discussed under the finance option.

Activity 13.8

Paragraph 1:

- Franco could refer to how he came to the predicted income figures that he got. For instance, how does he know his start-up costs are \$20 and his sales revenue is \$60? If he has done research into start-up costs and made sales predictions in the planning stages of the project then he could simply refer back to that information. If not, he should add some detail in the report.
- Franco claims to have researched the running costs of his enterprise. He should refer back to this research.

Paragraph 2:

- Franco states that his expenditure is more than he predicted. He should go into detail as to why this happened. For instance, did he mess up his initial research into the running costs of the enterprise, or did he simply have to buy alternative products at a higher cost because the ones he based his estimates on were out of stock?
- Franco states his sales revenue is higher than he initially predicted. He should go into detail as to why this happened. For instance, did he miscalculate his predicted sales revenue by underestimating the number of cars he would wash in a day?

There should also be a paragraph in which Franco explains how he could have avoided the mistakes that he made and suggest ways to improve the financial performance of the enterprise.

Activity 13.9

Points to include:

- Meeting didn't go well due to lack of planning (agenda, and control issues could be explored and the possible impact of this). For example, how do the lack of clear decisions affect the project?
- Improvements could focus on the agenda, agree who will chair each meeting, take detailed minutes (or recordings), agree on any action points.

Suggested answers to Worksheet 13.1

- 1 a4; b5; c2; d3; e1.
- 2 Students' own answers

Planning – a scheme of work overview

The following scheme of work outlines one possible way you might wish to organise your time over a typical two-year course. It assumes 2 lessons of 1 hr per week, with 11 weeks in each term and 3 terms per year. Each syllabus point is mapped against Activities and questions in the coursebook and further, additional, resources are suggested. It can and should be adapted depending on the specific needs of your school or students.

YEAR 1 TERM 1

Week	Chapter/syllabus section	Skills development	Suggested activities	Suggested resources	
1–2	Introduction [Unit 1] Introduction to Enterprise				
	1.1 What is meant by enterprise				
	What enterprise is	Focus on developing students' knowledge and understanding Use real-life	Case study activity: Nirali Someshwar	Cambridge IGCSE® and O Level Business Studies Coursebook (Fisher, Houghton & Jain, Cambridge University Press, 2014)	
	Who stakeholders are	examples and case studies to enhance ability to apply their knowledge and analyse information	Activity 0.1 ESQ 3 from Chapter 1		
	1.2 Ways of students being enterprising in everyday life				
	At school	Focus on students' ability to apply their understanding in identifying various ways of being enterprising and possibly identify a suitable project or activity	Activity 0.1		
	At home		Worksheet 0.1		
3–6	Chapter 1 [Unit 2] Setting up a new enterprise				
	2.1 The enterprise process				
	Six stages of the enterprise process	Focus on developing students' knowledge and understanding Encourage students to apply this knowledge to their own project	Worksheet 1.1 Activity 1.1 ESQ 4, 5	Coursebook Chapter 1	

Week	Chapter/syllabus section	Skills development	Suggested activities	Suggested resources
	2.2 Types of business organisation			
	Different kinds of organisation	Focus on the skill of analysis and evaluation so students think about the implications of different types of organisations through research, discussions and question and answers Encourage students to apply this knowledge to their own project	Activity 1.2 Case study: Betty Makoni Case study: Richard and Maurice McDonald ESQ 1, 2, 6	Cambridge IGCSE® and O Level Business Studies Coursebook (Fisher, Houghton & Jain, Cambridge University Press, 2014)
7–10	Chapter 2 [Unit 3] Skills and behaviours of enterprising people			
	3.1 Skills of enterprising people			
	Introduction to enterprising people	Develop student understanding of how enterprising people use their knowledge and skills to be successful	Investigate enterprising people from the school, local community and wider community	
	The enterprise skills set	Develop student understanding of enterprise skills	Activity 2.1 Activity 2.2 Case Study: Arjun Santoth Kumar Teacher-led definition of skills with examples of enterprising people using these skills. Worksheet 2.1: Summarise the skills of an enterprising person Textbook case study and questions	

Week	Chapter/syllabus section	Skills development	Suggested activities	Suggested resources
	Identifying and evaluating skills	Develop students' ability to evaluate their own enterprise skills Encourage students to think of themselves as enterprising people, to know their strengths and weaknesses in understand the impact this may have on future enterprise activities	Activity 2.3 ESQ 3	
	3.2 Behaviours of enterprising people			
	How entrepreneurs use their enterprise skills	Develop students' ability to recognise and identify how local entrepreneurs use their enterprise skills	Activity 2.4 Activity 2.5 Worksheet 2.1: Summarise the skills of an enterprising person Case study: Tanya Budd ESQ 1–3	Local case studies and guests
11	Chapter 13 Evaluation		Activities in the chapter Worksheet 13.1	

YEAR 1 TERM 2

Week	Chapter/syllabus section	Skills development	Suggested activities	Suggested resources
1	REVISION			
2–6	Chapter 3 [Unit 4] Opportunities, risk, legal and ethical considerations			
	4.1 Opportunities			
	How opportunities arise	Focus on communication skills such as listening and sharing ideas Encourage students to look at media such as newspapers, internet and television to be aware of how enterprising activity comes about	ESQ 1, 2 Case study: Noa Mintz; Benny Fajarai	Newspapers, internet and television focusing on stories about enterprising people and enterprise
	4.2 Risk			
	Risks involved in enterprise	Focus on communication skills Introduce simple activities/case studies so students start to apply knowledge	Create a risk definition Use case study examples based on local and national examples	Newspapers, internet and television focusing on stories about enterprising people and enterprise
Stages in identifying risks	Focus on developing students' knowledge and understanding of key concepts	Activity 3.1 Activity 3.2 Worksheet 3.1: Understanding PEST analysis	Information and SWOT analysis template www.mindtools.com/pages/article/newTMC_05.htm Templates 1 and 2 in the coursebook Case studies involving SWOT, e.g. http://businesscasestudies.co.uk/case-studies/by-topic/marketing.html http://pestleanalysis.com/pest-analysis/ Examples of PEST in action, e.g. http://pestleanalysis.com/pestle-analysis-of-starbucks/	
Analyse the implications of each risk and decide if the risk is worth taking	Focus on developing enterprise skills such as problem solving, initiative, analysis and evaluation	Simple scenarios and local case study examples Risk-based games and activities Case study: Andrew Mupuya	Activities such as Jenga game http://tastycupcakes.org/2013/04/the-risk-is-in-the-blocks/	

Week	Chapter/syllabus section	Skills development	Suggested activities	Suggested resources
	Plan how to manage the risks	Focus on developing enterprise skills such as problem-solving, and introducing skills of analysis and evaluation by discussing each idea and making decisions	Activity 3.3 Case study: Andrew Mupuya (cont'd) ESQ 3	
	Attitudes to risk	Focus on skill of calculated risk-taking	Activity 3.4	Activity based games or quizzes for example https://www.blogthings.com/areyouuarisktakerquiz/
4.3 Legal obligations				
	Why laws and regulations to protect stakeholders are needed	Focus on developing students' knowledge and understanding of key concepts	Discussion on role of laws and regulations Research laws in local entre	www.tutor2u.net/business/reference/external-environment-business-legislation
	The impact of laws and regulations on all stakeholders	Introduce simple activities/case studies so students start to apply knowledge	Activity 3.5 Simple scenarios and local case study examples ESQ 5	Introductory article about types of laws http://smallbusiness.chron.com/government-laws-affect-businesses-25756.html Newspapers, internet and television focusing on stories about laws and regulations affecting local enterprise
4.4 Ethical considerations				
	How an enterprise may have an impact on communities and society	Encourage students to look at media such as newspapers and internet to be aware of current events relating to ethical issues	Activity 3.6 ESQ 4	Articles about ethical behaviour for example Introduction to ethics presentation www.slideshare.net/tutor2u/buss4-business-ethics Case studies e.g. The Times 100 Business Case Studies on Primark: http://businesscasestudies.co.uk/primark/
	Ethical considerations within enterprise			
	The impact of ethical considerations on the operation of an enterprise			

Week	Chapter/syllabus section	Skills development	Suggested activities	Suggested resources
7–10	Chapter 4 [Unit 8] Markets research			
	8.2 Market research			
	Methods of identifying potential customers	Focus on developing students' knowledge and understanding of key concepts Use activities that require students to apply knowledge to simple scenarios	Activity 4.1 Activity 4.2 Activity 4.3 Activity 4.4 Activity 4.5 ESQ 1 and 2	Additional information can be obtained from IGCSE Business textbooks, for example: Cambridge IGCSE® and O Level Business Studies Coursebook (Fisher, Houghton & Jain, Cambridge University Press, 2014) Cambridge IGCSE® Business Studies 4 th edition (Barrington & Stimpson, Hodder, 2013) Online case studies, e.g. http://businesscasestudies.co.uk/case-studies/by-topic/marketing.html Activity ideas, for example www.tutor2u.net/business/blog/student-worksheet-market-research-1 Additional theory, e.g. http://businesscasestudies.co.uk/business-theory/marketing.html Template 3 from the coursebook
The effectiveness of methods for different enterprises	Use activities that require students to apply knowledge to simple scenarios Ensure there is a range of activities and strategies to allow students to practise analysis and evaluation skills	Activity 4.6 ESQ 3 and 4 Worksheet 4.1: Selecting a method of market research	Articles on methods of market research used by an enterprise, e.g. Cadburys https://paperap.com/paper-on-marketing-methods-cadbury-chocolates/ or http://businesscasestudies.co.uk/cadbury-schweppes/launching-a-new-product-into-a-developed-market/market-research.html	
11		Chapter 13 Evaluation		Activities in the chapter Worksheet 13.1

YEAR 1 TERM 3

Week	Chapter/syllabus section	Skills development	Suggested activities	Suggested resources
1–2	Revision			
3–5	Chapter 5 [Unit 7] Business planning			
	7.1 Business objectives			
	Different enterprises have different aims and objectives	Focus on developing students' knowledge and understanding of key concepts	ESQ 2 Activity 5.1	Additional information can be obtained from IGCSE Business textbooks, for example: Cambridge IGCSE® and O Level Business Studies Coursebook (Fisher, Houghton & Jain, Cambridge University Press, 2014) Cambridge IGCSE® Business Studies 4 th edition (Barrington & Stimpson, Cambridge University Press, 2013) Background information about aims and objectives, for example: www.tutor2u.net/business/reference/aims-and-objectives-of-a-business OR www.tutor2u.net/business/reference/business-objectives-introduction
	How aims influence the activities of enterprises	Use simple scenarios and case studies so students can apply their knowledge		
	7.2 Action plans			
The contents, purpose and importance of action plans	Focus on developing students' knowledge and understanding of key concepts	Activity 5.2 ESQ 1 and 4 Worksheet 5.1: Creating an action plan	Guidance about creating an action plan: http://smallbusiness.chron.com/write-business-action-plan-2750.html www.mindtools.com/pages/article/newHTE_04.htm Template 4 from the coursebook	
Methods of monitoring and updating action plans	Focus on developing students' knowledge and understanding of key concepts Use simple scenarios and case studies so students can apply their knowledge	Activity 5.3 Case study: Suki's noodle bar ESQ 3	Article about the importance of monitoring: www.dlsweb.rmit.edu.au/toolbox/readership/toolbox/ip/ip_c13.html Article on measuring success of an action plan: www.brighthubpm.com/project-planning/106500-how-to-measure-your-action-plan-results/	

Week	Chapter/syllabus section	Skills development	Suggested activities	Suggested resources
6–9	Chapter 6 [Unit 6.1] Sources of finance			
	6.1 Sources of finance			
	Advantages and disadvantages of different sources of start-up funding	Develop student understanding that enterprises need to access finance for a variety of reasons throughout their lifecycle Develop student understanding of source of finance for start-up enterprises	Teacher-led investigation into why enterprises have different funding needs at different points in their lifecycle Teacher-led definition of sources of finance suitable for a start-up including advantages and disadvantages. Add in local context Case study: The Samphire Festival ESQ 1–3	Local case studies Template 5 from the coursebook
	Funding for continuing trade and expansion	Develop student understanding of sources of finance which are suitable for continued trade or expansion Check student understanding and address misconceptions.	Teacher-led definition of sources of finance suitable for continued trading and expansion of an enterprise. Add in local context Activity 6.1 – extend by asking students to add advantages and disadvantages of each source ESQ 3	Template 5 from the coursebook
10–11	Chapter 13 Evaluation		Activities in the chapter Worksheet 13.1	

YEAR 2 TERM 1

Week	Chapter/syllabus section	Skills development	Suggested activities	Suggested resources
1–2	REVISION			
3–5	Chapter 7 [Unit 6.2] The concept of trade credit			
	6.2 The concept of trade credit			
	What trade credit is	Develop student understanding of finance	Teacher-led definition of credit	
	Advantages and disadvantages of trade credit	Develop student understanding of trade credit between enterprises and their suppliers including the advantages and disadvantages for both parties Check student understanding and address misconceptions	Teacher-led explanation of trade credit between enterprises and suppliers Trade credit example on p.89 of the coursebook; additional local examples would be beneficial Student investigation of sources of credit Consider the use of credit in business Activity 7.1 Teacher-led explanation of trade credit between enterprises and their customers Guest speaker to discuss the benefits and advantages from the perspective of their business ESQ 1–3	

Week	Chapter/syllabus section	Skills development	Suggested activities	Suggested resources
6–9	Chapter 8 [6.3] Cash flow, break even, and income statement			
	6.3 Financial terms			
	Cash flow forecast	Develop student understanding of why enterprises forecast, analyse, evaluate and manage their financial situations. Ensure that students understand how this information will be used by both internal and external stakeholders. Develop student knowledge of cash flow forecast in enterprise. Develop practical ability to calculate cash flow forecast and use as a predictive tool	Teacher-led explanation Activity 8.1 Case Study: David's low-calorie cakes Activity 8.2 ESQ 3	Template 6 from the coursebook
	Break even	Students need to understand and calculate break-even point	Teacher-led explanation of revenue, fixed cost, variable costs, total costs and how these are used to calculate break even Activity 8.3 ESQ 1, 2	
	Income statement	Develop student knowledge of income statement and how it is calculated Check student understanding and address misconceptions	Teacher-led explanation of how income statement is calculated Example: Hyper Music Sales ESQ 4	
10–11	Chapter 13 Evaluation		Activities in the chapter Worksheet 13.1	

YEAR 2 TERM 2

Week	Chapter/syllabus section	Skills development	Suggested activities	Suggested resources
1	Revision			
2–5	Chapter 9 [Unit 8] Marketing			
	8.1 The purpose of marketing			
	Marketing to achieve enterprise aims	Encourage students to own knowledge and understanding of key concepts	Activity 9.1	Additional information can be obtained from IGCSE Business textbooks, for example: Cambridge IGCSE® and O Level Business Studies Coursebook (Fisher, Houghton & Jain, Cambridge University Press, 2014) Cambridge IGCSE® Business Studies 4 th edition (Barrington & Stimpson, Cambridge University Press, 2013) www.tutor2u.net/business/reference/what-is-marketing
	Marketing from the perspective of customers	Encourage students to own knowledge and understanding of key concepts	Activity 9.2	www.tutor2u.net/business/reference/what-is-marketing
	8.3 Customer retention			
	The reasons for retaining customers	Focus on developing students' knowledge and understanding of key concepts	Activity 9.2 ESQ 1	Articles on the benefits of good customer service, e.g. www.tutor2u.net/business/reference/benefits-of-good-customer-service
	Methods of measuring customer satisfaction and retention	Focus on developing students' knowledge and understanding of key concepts	Activity 9.3 Case study: TOMS	Presentation slides about customer service www.tutor2u.net/business/reference/customer-service-revision-presentation Newspapers, internet and television focusing on stories or examples of customer satisfaction and retention
	Methods of retaining existing customers	Continue to use activities that require students to apply knowledge to simple scenarios	Activity 9.3 Case study: TOMS Activity 9.4 ESQ 2	Newspapers, internet and television focusing on stories or examples of customer satisfaction and retention Articles about customer retention strategies, e.g.

Week	Chapter/syllabus section	Skills development	Suggested activities	Suggested resources
				<p>www.dmn3.com/dmn3-blog/5-real-world-customer-retention-tactics http://blog.clientheartbeat.com/customer-retention/ Case studies about customer retention, e.g. http://businesscasestudies.co.uk/case-studies/by-topic/marketing.html</p>
8.4 Marketing communication				
	Methods of marketing communication to reach intended customers	Focus on development of creativity and communication skills	Activity 9.5 Activity 9.6 Activity 9.7 Worksheet 9.1: Marketing communication and the law	Additional information can be obtained from IGCSE Business textbooks, for example: Cambridge IGCSE® and O Level Business Studies Coursebook (Fisher, Houghton & Jain, Cambridge University Press, 2014) Cambridge IGCSE® Business Studies 4 th edition (Barrington & Stimpson, Cambridge University Press, 2013) Newspapers, internet and television focusing on stories or examples of customer satisfaction and retention Case studies, e.g.: http://businesscasestudies.co.uk/case-studies/by-topic/marketing.html Activities such as: www.tes.com/teaching-resource/promotional-mix-student-centred-activity-6373847 www.tutor2u.net/business/blog/lesson-worksheet-marketing-mix-promotion-basics
	Selecting appropriate methods for different enterprises	Ensure there is a range of activities and strategies to allow students to practise analysis and evaluation skills	Activity 9.8 ESQ 3, 4 and 5	Additional information can be obtained from IGCSE Business textbooks, for example: Cambridge IGCSE® and O Level Business Studies Coursebook (Fisher, Houghton & Jain, Cambridge University Press, 2014)

Week	Chapter/syllabus section	Skills development	Suggested activities	Suggested resources
				Cambridge IGCSE® Business Studies 4 th edition (Barrington & Stimpson, Cambridge University Press, 2013) Activities, e.g. www.tes.com/teaching-resource/gcse-business-promotion-lesson-6318169
6–9	Chapter 10 [Unit 5] Negotiation			
	5.1 The negotiation process			
	What negotiation is	Focus on developing students' knowledge and understanding of key concepts	Video clips and discussion Activity 10.1 ESQ 1	Search online for negotiation video clips, e.g.: www.youtube.com/watch?v=0CdixDzE710 or https://m.youtube.com/watch?v=y5nmwu6RX0 Article with ideas for teaching negotiation: www.pon.harvard.edu/daily/teaching-negotiation-daily/video-based-negotiation-scenarios/
	Stages in the negotiation process: planning	Focus on developing students' knowledge and understanding of key concepts	Case study: Keely and Jacob Activity 10.2 ESQ 2	Tips on how to negotiate: http://how-to-negotiate.com/?s=Seven+basic+steps
	Conducting the negotiation	Focus on developing skills of negotiation and communication	Worksheets Simple activities and role plays Activity 10.3 Activity 10.4 Activity 10.5 Activity 10.6 ESQ 3 and 4 Worksheet 10.1: What to say when negotiating	Activities to practise skills involved in negotiation, e.g. www.moneyinstructor.com/lesson/negotiating_skills.asp#LESSON_PRINTABLE_MATERIALS_-_WORKSHEETS www.blairenglish.com/exercises/negotiations/exercises/making_a_deal/making_a_deal.html Article about negotiation, e.g.: www.entrepreneur.com/article/201826
Measuring success	Focus on skill of analysis and evaluation	See Activity 13.5	Article on issues to consider when trying to measure success: http://businessnegotiationservices.com/evaluating-your-negotiation/	
10–11	Chapter 13 Evaluation		Activities in the chapter Worksheet 13.1	

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Week	Chapter / Syllabus section	Skills development	Suggested activities	Suggested resources
1	Revision			
2–5	Chapter 11 [Unit 10] Communication			
	10.1 Types of communication			
	Formal and informal communication	Develop student understanding of formal and informal communication	Teacher-led explanation of communication Teacher-led explanation of formal and informal communication with scenarios and exemplars ESQ 1	
	Verbal and non-verbal communication	Develop student understanding of non-verbal communication, including the implications of good and poor non-verbal communication Develop student skills in non-verbal communication	Teacher-led explanation of verbal and non-verbal communication using videos/images Students investigate variations in international non-verbal communication. Practical activity using non-verbal communication skills (i.e. interviewing for a fictional job) Table 11.1 Practical activity using formal communication skills (i.e. applying for a fictional job) ESQ 2	
	Appropriateness of different types of communication for communicating with internal and external stakeholders	Develop student understanding of appropriate informal communication in enterprise. Check student understanding and address misconceptions.	Activity 11.1 ESQ 3	
	10.2 Meetings and presentations			
	The need for careful planning, considering possible outcomes before, during and after the event	Develop student understanding of why people hold meetings in an enterprise.	Use scenarios to help students understand the different reasons why enterprises hold meetings ESQ 4	Meetings presentations and reports Template 7 from the coursebook

Week	Chapter / Syllabus section	Skills development	Suggested activities	Suggested resources
	Documents for meetings and presentations	Develop student understanding and skills in organising meetings, the roles in a meeting, preparing, participating in and evaluating a meeting. Develop student skills in presentation. Develop student skills in formal report writing. Check student understanding and address misconceptions.	Teacher-led explanation of how to organise a meeting, key roles in a meeting and how to prepare for and participate in a meeting. Students to observe a meeting and view exemplar meeting materials (Figs 11.2 and 11.3). Students to organise meetings for their enterprise project. Teacher led explanation of why it is important to evaluate a meeting. Case Study: Valentina. Students to evaluate a meeting that they have observed or participated in. Teacher-led explanation of how to create good presentations using textbook guidance. Students should be given opportunities to develop their skills in presenting throughout their study. Teacher-led explanation of how to write a good, formal report using textbook guidance. Students should be given opportunities to develop their skills in report writing throughout their study. ESQ 5, 6	Organising a meeting; key roles in a meeting; attending a meeting. Evaluating a meeting. Presentations: Formal report. Learning check
6–8	Chapter 12 [Unit 9] Help and support for enterprise			
	9.1 Sources of help and support			
	Formal sources and assistance they offer	Focus on developing students' knowledge and understanding. Help develop students' analytical skills by looking at the case studies and the impact of the different sources of help.	Case study: Umm Al Moumineen Women's Association Case study: NFTE Case study: Help and support for entrepreneurs Activity 12.1 Worksheet 12.1	
	Informal sources and assistance they offer			
	Suitability of different sources of help and support for the enterprise			

Week	Chapter / Syllabus section	Skills development	Suggested activities	Suggested resources
		Encourage students to apply this knowledge to their own project.		
9–10	Chapter 13 Evaluation		Activities in the chapter Worksheet 13.1	
11	Revision			

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