

End Points – Component 3

Learning Aim A – Key questions

Explain the different pricing strategies that a business could use

Explain the benefits of digital distribution vs physical products and how they differ

Explain why it is important to match campaigns to the aims of the business

Identify the 5 different elements of the promotional mix

Explain the difference between above-the-line and below-the-line promotions

Explain why a given business has chosen to promote itself in the way they have and how it is relevant to them

Identify the difference between B2B markets and B2C markets

Explain the difference between niche and mass markets

Explain how a business could use demographic segmentation

Explain how a business could use geographic segmentation

Explain why businesses need to segment their market

Identify the 4 ways of segmenting a market

Explain the best method of market segmentation for a given scenario

Explain how a business could use psychographic segmentation

Explain how a business could use behavioural segmentation

Identify the factors that influence the choice of marketing

Explain how each factor could impact the choice of marketing methods

Evaluate which of the factors that impact their choice of marketing has the biggest influence in different scenarios

Explain why it is important to have a positive brand image to attract and retain customers

Explain the impact of a business having a negative reputation or a falling reputation

Explain why it is important to have a positive reputation to attract and retain customers

Learning Aim B – Key questions

Identify the order of the 8 different financial documents

Explain what each of the 8 financial records are

Explain why it is important to have accurate financial documents

Explain why businesses offer a variety of payment methods

Explain the advantages of each payment method

Identify which payment method would be most appropriate for a given scenario

Calculate the business' revenue

Calculate total cost

Explain the difference between start-up and running costs

Identify running costs for a business

Identify start-up costs for a business

Explain the difference between revenue and profit

Calculate cost of sales

Explain cost of sales

Calculate gross profit

Identify the formula for gross profit

Explain how gross profit could be increased

Identify the formula for net profit

Calculate net profit

Explain how net profit could be increased

Explain why having a positive net profit is important

Explain expenditure

Explain the difference between cost of sales and expenditure

Explain the difference between assets and liabilities

Identify examples of assets

Identify examples of liabilities

Explain the difference between fixed assets and current assets

Explain the difference between current assets and long term liabilities

Identify the formula for net current assets

Identify the formula for net assets

Explain the term dividend

Identify the different stakeholders of an enterprise

Explain how financial statements could be of interest to the stakeholders

Assess the positive and negative impacts stakeholders can have on an enterprise

Explain the difference between cash and profit

Explain the difference between liquidity and profitability

Explain the ways that an enterprise can increase their profitability

Explain what is meant by profitability ratios

Explain how to calculate the two profitability ratios

Explain the importance of calculating profitability ratios

Explain what is meant by liquidity ratios

Explain how to calculate the two liquidity ratios

Explain the importance of calculating liquidity ratios

Learning Aim C – Key questions

Identify the different revenue and expenditure budgets

Explain the difference between budgeting and budgetary control

Assess the impact of favourable and adverse variances

Explain the term cash flow forecasts

Explain the purpose of completing cash flow forecasts

Explain the difference between forecasted and actual cash flows

Explain the meaning of the terms inflows and outflows

Explain how cash flows allow enterprises to make business decisions

Identify and explain the ways an enterprise can improve their cash flow

Explain the impact positive and negative cash flow can have on an enterprise and their stakeholders

Assess the reasons why enterprises may have poor cash flow

Explain the term break even

Assess the importance to an enterprise of breaking even

Explain the strengths and limitations of break-even analysis

Identify the different costs in a break-even analysis

Explain the importance of the margin of safety

Explain the problems an enterprise could face if it does not identify the break even point

Identify and explain the different internal sources of finance

Explain the strengths and limitations of each internal source of finance

Explain why different internal sources of finance will suit different scenarios

Identify and explain the different short term external sources of finance

Explain the strengths and limitations of each short term external finance

Explain why different short term external sources of finance will suit different scenarios

Identify and explain the different long term external sources of finance

Explain the strengths and limitations of each long term external finance

Explain why different long term external sources of finance will suit different scenarios