

N5

Business Management

Revision 2022



Understanding
Business



MANAGEMENT OF
Marketing



MANAGEMENT OF
Operations



MANAGEMENT OF
People



MANAGEMENT OF
Finance

Sectors of Economy

Private Sector



Understanding Business



Ownership	Control	Decision-making	Objectives	Advantages	Disadvantages	
Private Limited Companies						
Partnership						
Sole trader						

Sectors of Economy



Public Sector



	Ownership	Control	Decision-making	Objectives	Advantages	Disadvantages
Local Government Organisations						

Sectors of Economy



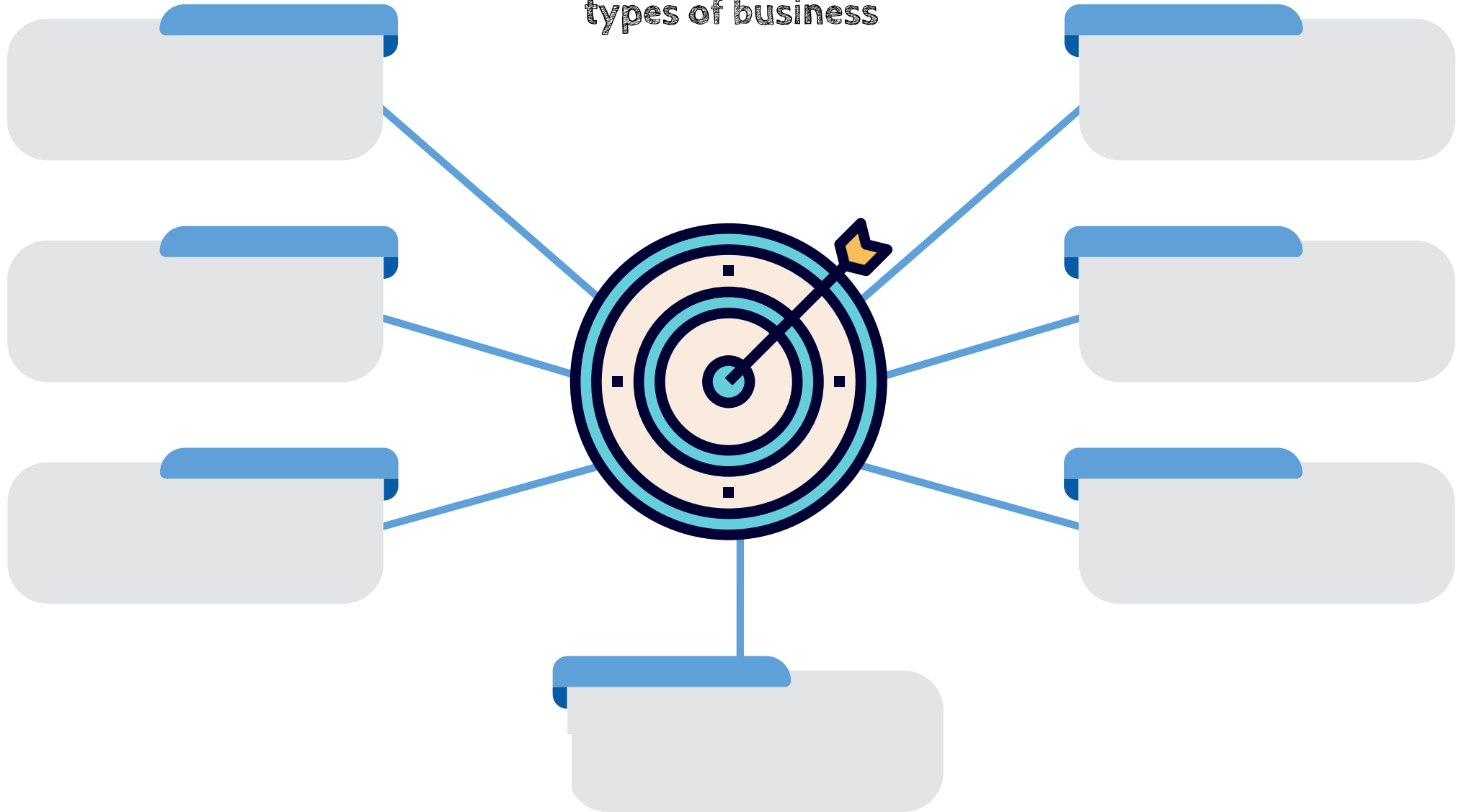
Third Sector



	Ownership	Control	Decision-making	Objectives	Advantages	Disadvantages
Social Enterprises						
Charities/ Voluntary Organisations						

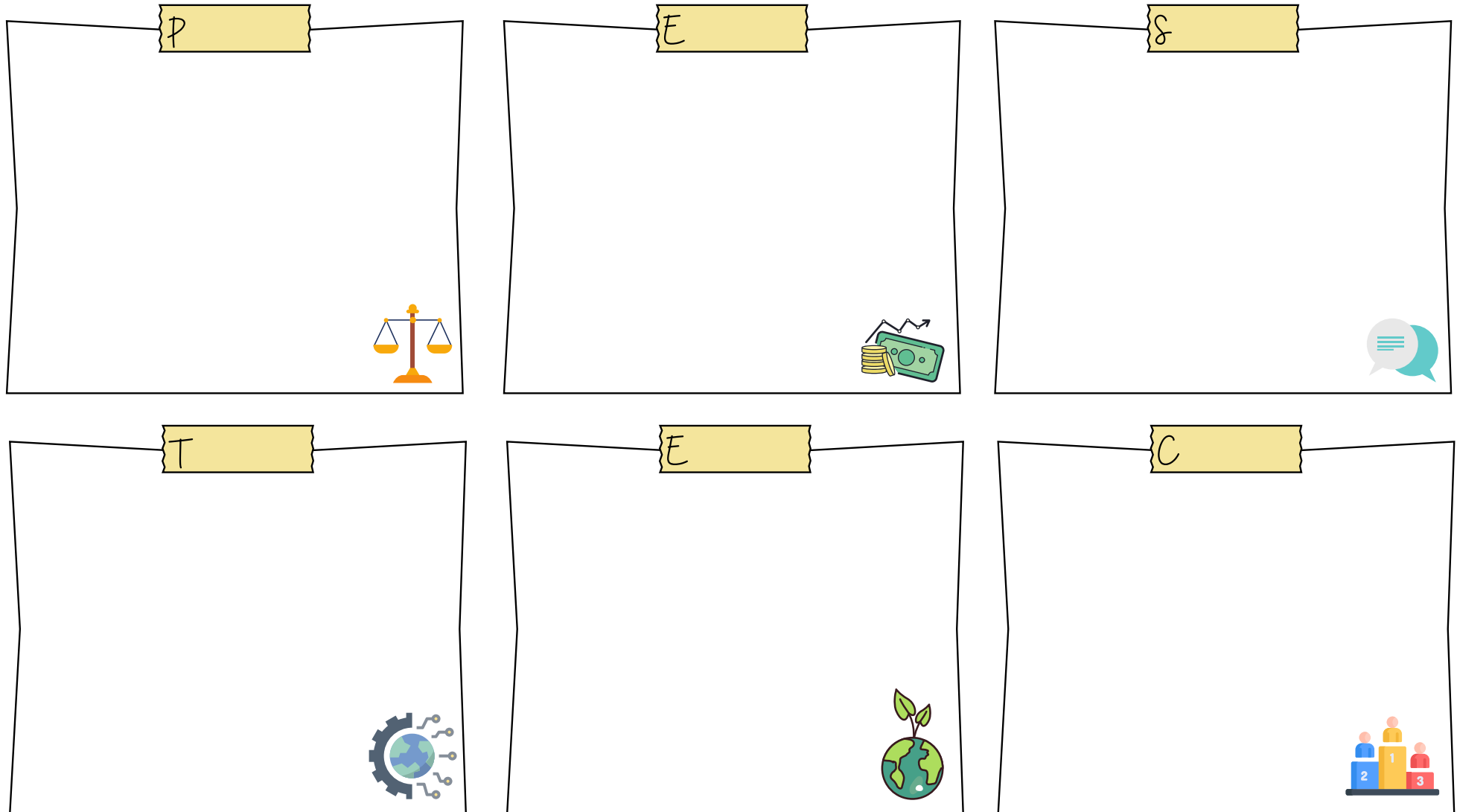
Objectives

How Objectives affect the operation
of and decisions made in different
types of business



External Factors

How do they affect the operation of and decisions made in different types of business



What is a stakeholder?

Stakeholders



	Definition	Influence	Interest
Owners			
Shareholders			
Employees			
Banks			
Customers			



Stakeholders



	Definition	Influence	Interest
Suppliers			
Local Community			
Pressure Groups			
Local Government			
National Government			

Definition

Market Research

Field Research



	Face to Face interview	Postal Survey	Focus Group	Hall test	Online Survey
Costs					
Benefits					

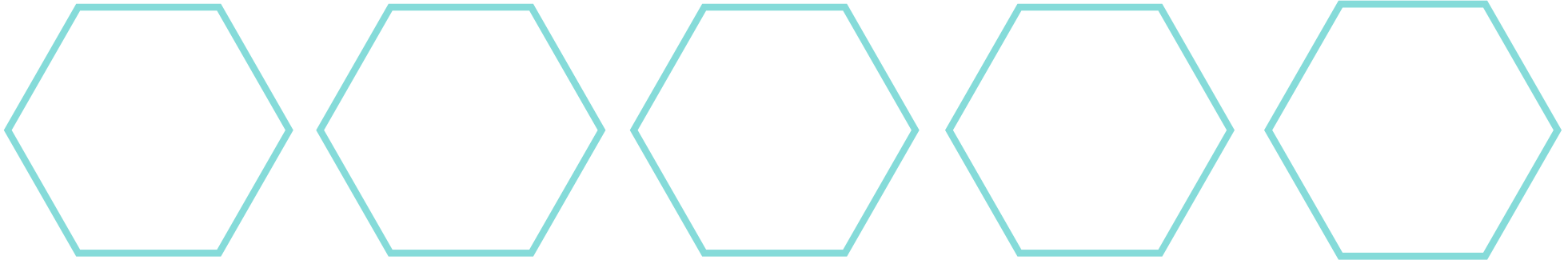


Market Research

Desk Research

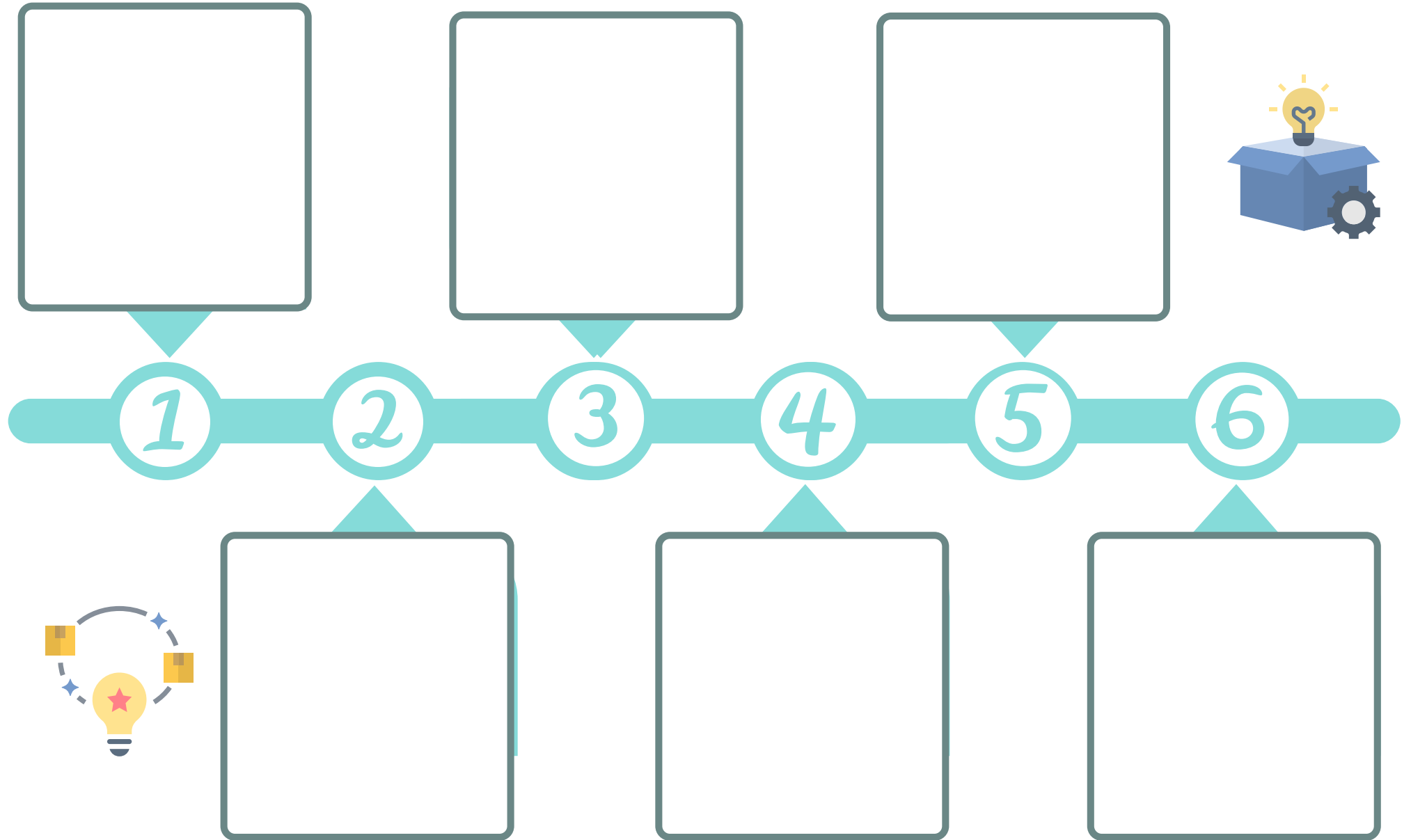
Definition

Methods



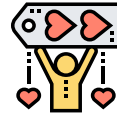
Costs	Benefits

Product development

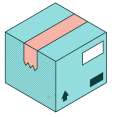


Product

Branding



Packaging





Pricing strategies

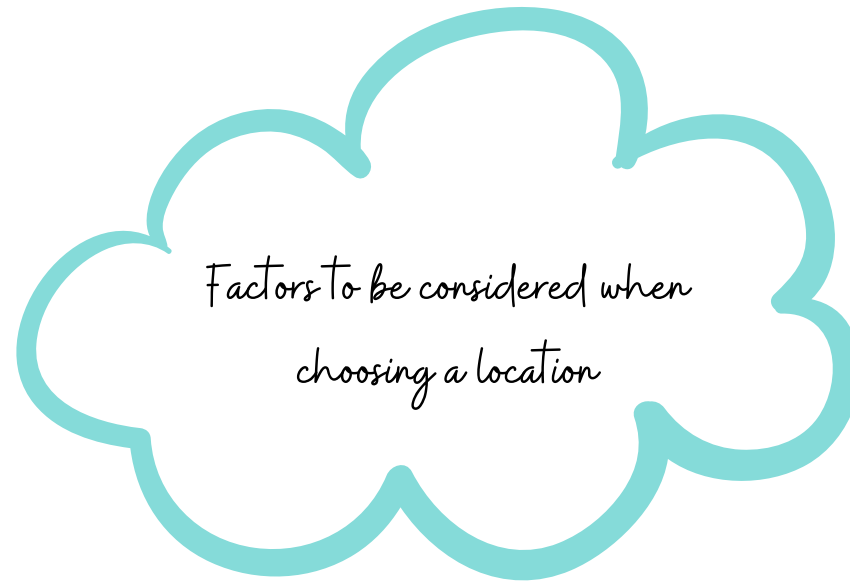
Premium

Competitive

Low



Place



Place



Choose some locations
and discuss the
advantages and
disadvantages for a
business

	Advantages	Disadvantages
E-commerce		



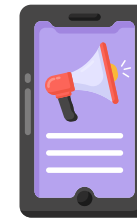
Promotion



	Advantages	Disadvantages
TV		
Radio		
Cinema		
Newspapers /magazines		
Billboards		



Promotion



	Advantages	Disadvantages
Online		
In-app		
Email		
SMS/Text		



Technology

How can ICT be used to increase
efficiency in the Marketing
Department?



Suppliers



What are the factors a business must consider when choosing a supplier?



Inventory Control Diagram



Methods of Production



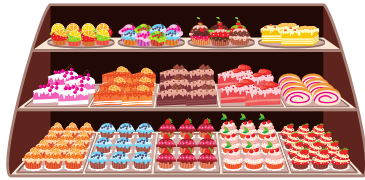
Job



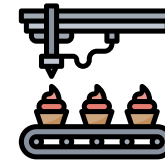
Description

Costs	Benefits

Methods of Production



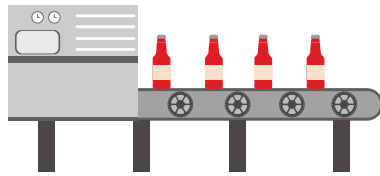
Batch



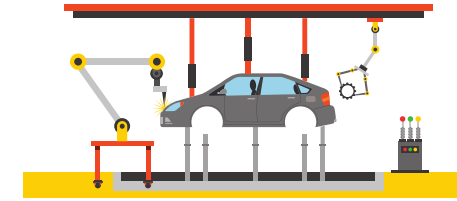
Description

Costs	Benefits

Methods of Production



Flow



Description

Costs	Benefits



Quality

Methods for ensuring quality

Quality Control

Quality Assurance

Quality Inputs





Ethical Production



Description

Costs	Benefits



Environmentally Friendly Production

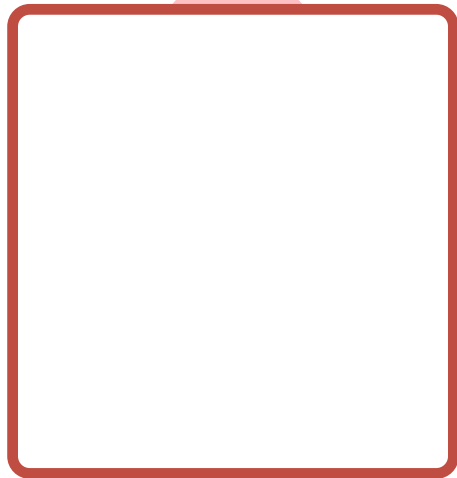
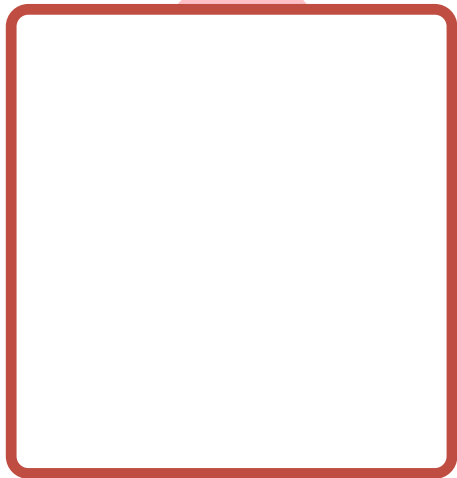
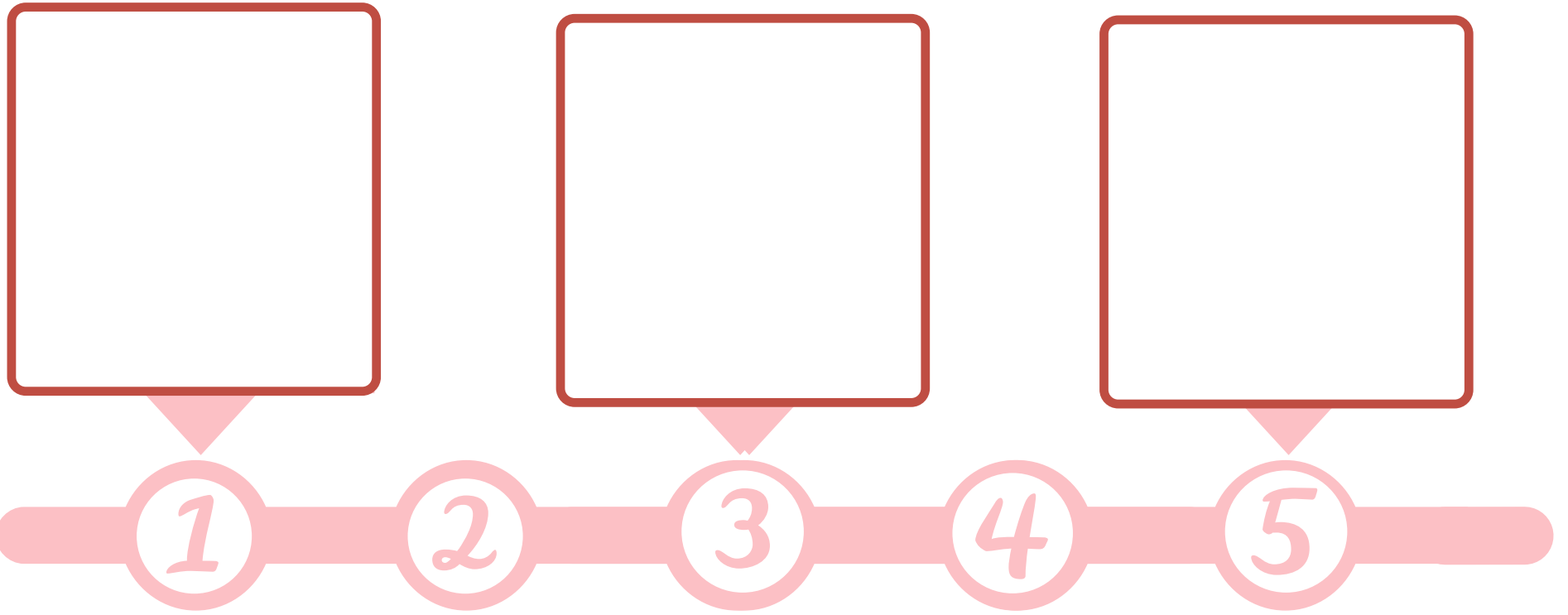


Description

Costs	Benefits

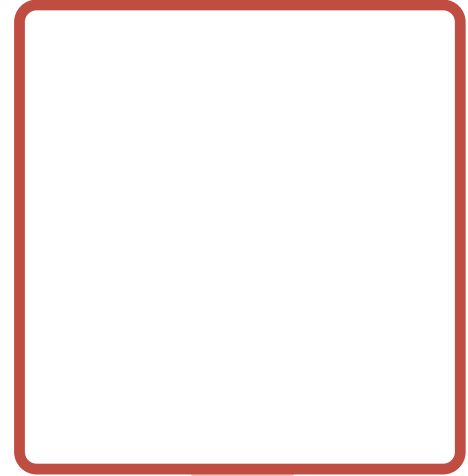
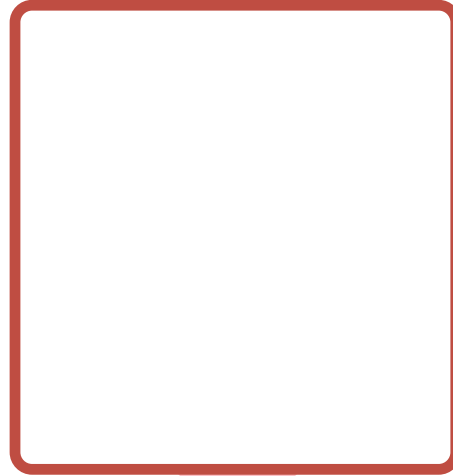


Recruitment Process





Selection Process



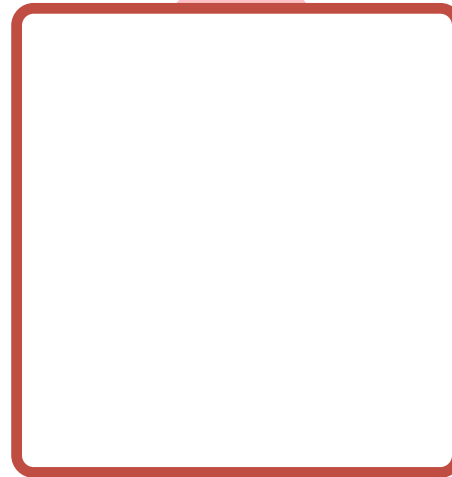
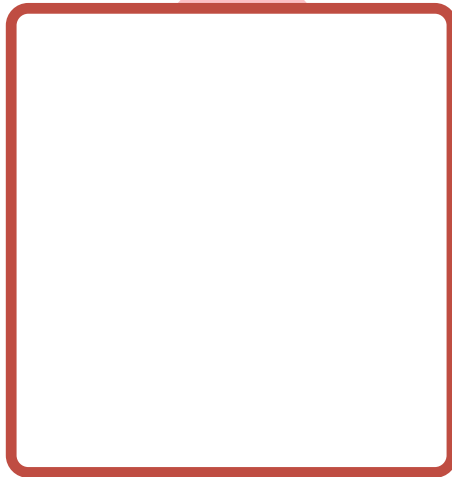
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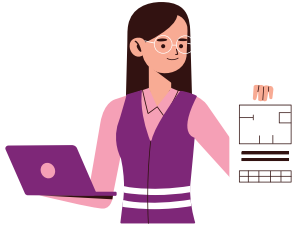
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Training

Induction



Examples of induction training:

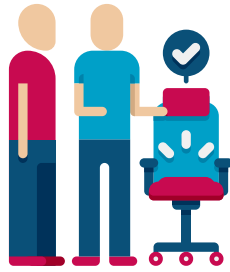
Advantages

Blank area for writing advantages of induction training.

Disadvantages

Blank area for writing disadvantages of induction training.

Description



Training



On the Job

Role play

Job rotation

Shadowing

Coaching

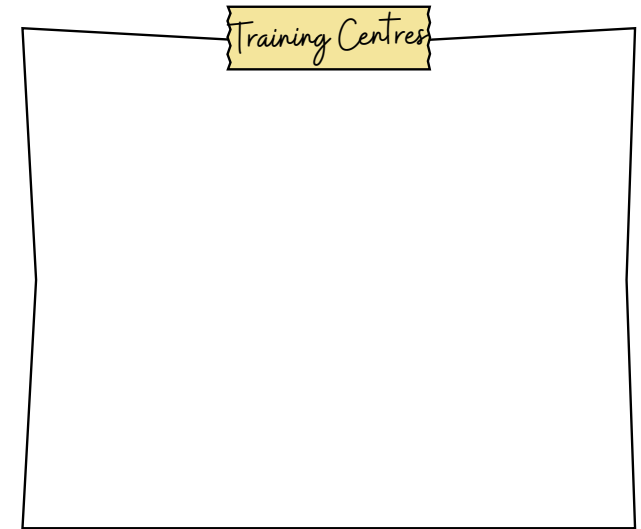
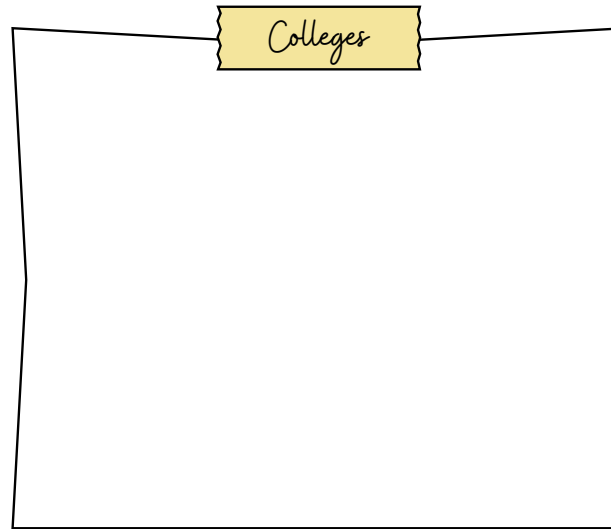
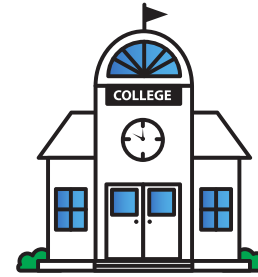
Advantages

Disadvantages

Demonstration

Training

Off the Job





Technology



How can ICT be used to increase efficiency in the HR Department?



Sources of Finance



Source	Description	Advantages	Disadvantages	Available to?
Owner investment				
Retained profit				
Bank overdraft				
Bank Loan				
Mortgage				
Hire purchase				

Sources of Finance



Source	Description	Advantages	Disadvantages	Available to?
<i>Leasing</i>				
<i>Loan (family/friends)</i>				
<i>Grant</i>				
<i>Share issue</i>				
<i>Crowdfunding</i>				
<i>Venture capital</i>				



Cash Flow



What is a cash flow?

Reasons cash flow problems may occur:

Solving cash flow problems



Solution	Justification



Cash Budgeting



What is a cash budget?

Benefits

Cash Budgets



Income Statements



What is an Income Statement

Purpose of an Income Statement



Income Statements



Sales

Cost of sales

Gross profit

Expenses

Profit for the year

	£	£
Sales		100,000
Less cost of sales		
Opening stock	10,000	
Add purchases	40,000	
Subtotal	50,000	
Less closing stock	10,000	40,000
Gross profit		60,000
Less expenses		
Rent	5,000	
Electricity	5,000	
Wages	15,000	
		25,000
Profit for the year		35,000