

Start

What is a stakeholder? State 4 examples

A stakeholder is an individual or a group that has an interest in and/or is affected by the activities of a business.

Owners, managers, employees, consumers, community, pressure groups, Government

E-Commerce	Selling products/services online. Reduced fixed costs.
Social Media	To reach potential consumers. Vlogs etc. Free and wide ranging
Digital Communication	Using email, social media. Cheap
Electronic payment systems	Paypal, Apple Pay, Contactless. Secure??

Impacts of technology on business

Increased sales from wider range of consumers
 Lower fixed costs—no fixed premises needed
 But need capital to invest in technology

Features of Consumer Rights Legislation

Right to return/reject goods
 Products should meet quality standards
 Goods delivered on time
Good: no fines, better reputation
Bad: Restrictive, costly

Features of Employment Legislation

Can't discriminate—gender, age, religion, sexuality, race
 National Minimum Wage
 Health & Safety in the workplace
Good: reputation, lower staff turnover, staff motivation
Bad: Costly

Formula for calculating the value of imports

Imports Divide by the Foreign Currency

£1 = \$2. \$600 of American generators sold (imported) to a business in the UK costs the UK business:

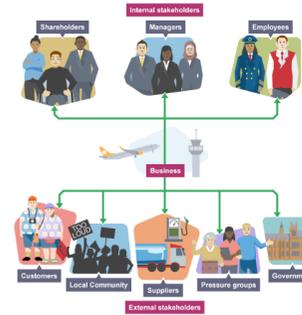
$$\$600 \div \$2 = \pounds300$$

Formula for calculating the value of exports

Exports Multiply by the Foreign Currency

£1 = \$2. £500 of British medicine sold (exported) to a business in the USA costs them:

$$\pounds500 \times \$2 = \$1000$$



What is GDP?

Gross Domestic Product, measures the level of economic activity i.e. The amount of goods/services produced

What can positively impact GDP?

Increased demand, higher incomes, lower unemployment, lower taxation....leading to increased business sales

Formula for calculating the interest rates

$$\text{Interest \%} = \frac{\text{Total Repayment} - \text{Borrowed amount}}{\text{Borrowed amount}} \times 100$$

You borrow £10,000 over 1yr and in total repay £12,000

$$12,000 - 10,000 \div 10,000 \times 100 = 20\%$$

Strong Pound

£1 buys more foreign currency than before
 Imports cheaper
 Exports more expensive

Weak Pound

£1 buys less foreign currency than before
 Imports more expensive
 Exports cheaper

Further revision:

BBC bitesize
 Business Ed
 Seneca Learning

Why does Unemployment occur?

Businesses not making enough revenue to afford workers, Technology replacing people, People voluntary giving up work because of childcare issues etc or because they have enough money, Younger people lacking experience, straight out of university, Lack of skills/education, Decline of industries in certain areas

Formula for calculating amount of interest paid

$$\text{Interest Payments} = \frac{\text{Amount borrowed} \times \text{Interest Rate}}{100}$$

You borrow £10,000 over 1 year at 5% IR

$$10,000 \times 5 \div 100 = \pounds500$$

What are interest rates paid on?

Mortgages, Loans, Overdrafts, Credit cards
 But also Savings (this is good)

What's the impact of increased interest rates?

Consumers more likely to save money
 Consumers have less money to spend due to increased cost of loans/mortgages/credit cards
 Business fixed costs increase due to increase cost of loans etc

What is inflation?

Change in average price levels in the economy over time.
 AKA HIGHER PRICES

What's the impact of inflation?

Increase in business costs because their supplies also increase in price, lower sales, less likely to expand the business, may have to borrow money to cover costs, consumers reduce their spending.

What impact does unemployment have on businesses?

Lower consumer spending, lower demand for products, greater supply of workers, more choice, more social problems

What can positively impact consumer spending?

Wages rising more than prices, Decrease in income tax, Banks becoming more willing to lend money in the form of loans & mortgages, A growing population, An increase in Government Benefit levels

Key word	Definition
Stakeholder	Anyone who has an interest in the activities of a business, such as its workers, its suppliers, its directors, the local community and the government
Shareholders	Investors who are part-owners of a company
Private limited company	An incorporated business that owned by shareholders who invest in the business in return for a share of the profits and voting rights at the annual general meeting (AGM)
Public limited company	An incorporated business that can sell shares to the public (also known as a PLC)
Stock exchange	A place where shares in PLCs can be bought or sold
Profit	The amount of revenue left over once costs have been deducted
Payment terms	The period of time that a business has to pay its suppliers
Ethics	Moral principles or standards that guide the behaviour of a person or business
Conflict	A serious disagreement, usually between people, countries or ideas
Real-time	Live or as it happens
Cookies	Small files stored on a customer's computer when the customer visits a website, which record details about that visit and can be accessed by the website when the customer visits it again
Legislation	The laws that a business must comply with
Reasonable care	In consumer law, this means offering a service that is suitable for customers, such as providing a meal that can be eaten
Induction	The period of time after an employee starts a job when they must be shown how to safely and within the employer's expectations
Comply	Obey a command or meet a set of standards
Minimum wage	The lowest legal rate of pay for employees, depending on their age and their type of employment
Discrimination	When someone is treated differently to someone else because of a particular characteristic, such as a disability, their ethnicity or their sex
Protected characteristic	Characteristics that cannot be used in the recruitment process to reject a candidate, such as age, disability, sex or gender, marriage status, pregnancy, race religion or believe, or sexual orientation
Levy	A tax on a particular product or service
Globalisation	When businesses operate and in international scale and gain international influence or power
Bank of England	The central bank of the United Kingdom. It manages the country's debts, sets interest rates and influences the exchange rate between the pound and other currencies
Tax	A proportion of an individual's income or a business's profits that must be paid to the government
Imports	The flow of goods and services into a country from another country
Exports	The flow of goods and services out of a country to another country

Key word	Definition
E-Commerce	Selling products/services online. Reduced fixed costs.
Social Media	To reach potential consumers. Vlogs etc. Free and wide ranging
Digital Communication	Using email, social media. Cheap
Electronic payment systems	Paypal, Apple Pay, Contactless. A way of paying for goods using an electronic device or card with a chip rather than using cash
GDP	Gross Domestic Product, measures the level of economic activity ie. The amount of goods/services produced
Formula for calculating the Value of Exports	Exports X foreign Currency
Formula for calculating the Value of Imports	Imports / Foreign Currency
Formula for calculating amount of interest paid	Interest payments = Amount borrowed X Interest Rate / 100
Formula for calculating the interest rates	Interest (%) = (total repayment—Borrowed Amount/Borrowed amount)X 100
Unemployment	Out of work or unable to work
Inflation	Change in average price levels in the economy over time.
Gross profit	The amount of profit that a business makes before the business's costs are deducted
Obsolete	Out of date or not used anymore
Interest rates	Money charged by a bank or an institution that lends you money, is usually a percentage and is paid monthly as a charge for borrowing the money. E.G. a loan might have a charge of 7.9% APR
APR	The Annual Percentage Rate (APR) is the cost you pay each year to borrow money, including fees, expressed as a percentage

Lesson Sequence
Stakeholders
Technology
Consumer protection legislation
Economy
Unemployment
Inflation
Interest rates
Exchange rates