

AQA AS Business

QUANTITATIVE AND NUMERICAL SKILLS

Quantitative / Numerical Skills	RAG	PAPER 1	PAPER 2	Notes
QS1: calculate, use and understand ratios, averages and fractions				
QS2: calculate, use and understand percentages and percentage changes				
QS3: construct and interpret a range of standard graphical forms				
QS4: interpret index numbers				
QS5: calculate cost, revenue, profit and break-even				
QS6: calculate investment appraisal outcomes and interpret results				
QS7: interpret values of price and income elasticity of demand				
QS8: use and interpret quantitative and non-quantitative information in order to make decisions				
QS9: interpret, apply and analyse information in written, graphical and numerical forms				

Specification Area / Topics	RAG	Paper 1	Paper 2	Notes
3.1 WHAT IS BUSINESS?				
3.1.1 Understanding the nature and purpose of business				
Business Objectives				
Mission Statements				
Measurement of profit				
Revenue				
Variable and Fixed Costs				
3.1.2 Understanding different business forms				
Different Forms of Business (sole traders, private ltd, plcs)				
Limited and Unlimited Liability				
Private and Public Sector Organisations				

Shares, Share Prices and Market Capitalisation				
Shareholders and Why They Invest				
Effect of Ownership on Mission, Objectives, Decisions and Performance				
3.1.3 Understanding that businesses operate within an external environment				
Factors influencing costs and demand (competition, market conditions, incomes, interest rates, demographic factors, environmental issues, fair trade)				
3.2 MANAGERS, LEADERSHIP AND DECISION MAKING				
3.2.1 Understanding management, leadership and decision making				
What Managers Do/Roles of Managers				
Tannenbaum Schmidt Continuum (Key Model)				
Blake Mouton Managerial Grid (Key Model)				
Effectiveness of Different Styles of Management and Leadership				
3.2.2 Understanding management decision making				
Scientific Decision Making				
Risks, Rewards, Uncertainty and Opportunity Cost				
Decision Trees				
Influences on Decision Making				
3.2.3 Understanding the role and importance of stakeholders				
Role and Importance of Stakeholders				
Stakeholder Mapping (Key Model)				
Influences on the relationship with stakeholders				
Managing the relationship with different stakeholders				

Specification Area / Topics	RAG	Paper 1	Paper 2	Notes
3.3 DECISION MAKING TO IMPROVE MARKETING PERFORMANCE				
3.3.1 Setting marketing objectives				
Value of Setting Marketing Objectives (sales volume and sales value; market size; market and sales growth; market share; brand loyalty)				
Internal & External Influences on Marketing Objectives				
3.3.2 Understanding markets and customers				
Marketing Research – Secondary				
Marketing Research - Primary				
Marketing Research - Quantitative and Qualitative				
Marketing Research – Sampling				
Market Mapping (Key Model)				
Market Size, Growth and Market Share				
Positive and Negative Correlation				
Confidence Intervals				
Extrapolation				
Price Elasticity of Demand				
Income Elasticity of Demand				
Use of Data in Marketing Decision Making				
Technology and Marketing Decision Making				
3.3.3 Making marketing decisions: segmentation, targeting, positioning				
Market Segmentation (demographic, geographic, income, behavioural)				
Niche and Mass Markets				
3.3.4 Making marketing decisions: using the marketing mix				
Extended Marketing Mix - 7p's (Key Model)				
Consumer Goods and Industrial Goods				
Boston Matrix (Key Model)				
Product Life Cycle (Key Model)				
Influences on and Value of New Product Development				

Pricing Decisions: Penetration Pricing				
Price Decisions: Price Skimming				
Branding				
Promotional Decisions				
Multichannel Distribution				
Digital Marketing				
E-commerce				
3.4 DECISION MAKING TO IMPROVE OPERATIONAL PERFORMANCE				
3.4.1 Setting operational objectives				
Operational Objectives (costs; quality; speed of response & flexibility; dependability; environmental; added value)				
Internal & External Influences on Operational Objectives				
3.4.2 Analysing operational performance				
Labour Productivity				
Unit Costs (average costs)				
Economies of Scale				
Diseconomies of Scale				
Capacity & Capacity Utilisation				
3.4.3 Making operational decisions to improve performance: increasing efficiency and productivity				
Importance of capacity				
How to use capacity efficiently				
Importance of Efficiency and Productivity				
Lean Production (including Just Time)				
Difficulties increasing efficiency and labour productivity				
Choosing the optimal resource mix				
Capital and Labour Intensive Processes				
Technology and Operational Efficiency				

Specification Area / Topics		Paper 1	Paper 2	
3.4.4 Making operational decisions to improve performance: improving quality				
Importance of quality				
Quality control and quality assurance				
Benefits and difficulties of improving quality				
Consequences of poor quality				
3.4.5 Making operational decisions to improve performance: managing inventory and supply chains				
Flexible Operations / Mass Customisation				
Use of temporary and part time employees				
Producing to Order				
Inventory Management				
Inventory Control Charts (lead time; re-order levels; buffer inventory; re-order quantities)				
Influences on the choice of suppliers				
Value of outsourcing				
3.5 DECISION MAKING TO IMPROVE FINANCIAL PERFO				
3.5.1 Setting financial objectives				
Value of Setting Financial Objectives (return on investment; long-term funding that is debt)				
Distinction between cash flow and profit				
Gross profit, operating profit and profit for the year				
Cash Flow Objectives				
Capital Structure Objectives				
Internal & External Influences on Financial Objectives				

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3.5.2 Analysing financial performance				
Budgets and Budgeting				
Cash flow forecasts				
Variance Analysis				
Break-even Analysis (break-even output; margin of safety; contribution per unit; total contribution)				
Ratio Analysis - Gross Profit & Gross Margin				
Ratio Analysis - Operating Profit & Profit for the Year				
Timings of Cash Inflows and Outflows: Payables				
Timings of Cash Inflows and Outflows: Receivables				
3.5.3 Making financial decisions: sources of finance				
Sources of Finance - Debt Factoring				
Sources of Finance - Bank Overdrafts				
Sources of Finance - Bank Loans				
Sources of Finance - Retained Profits				
Sources of Finance - Share Capital				
Sources of Finance - Venture Capital				
3.5.4 Making financial decisions: sources of finance				
Methods of Improving Cash Flow				
Methods of Improving Profits and Profitability				
Difficulties Improving Cash Flow and Profit				
3.6 DECISION MAKING TO IMPROVE HUMAN RESOURCE PERFORMANCE				
3.6.1 Setting human resource objectives				
Human Resource Objectives (employee engagement and involvement; talent development; training; diversity; alignment of values; number, skills and location of employees)				
Internal & External Influences on Human Resource Objectives				

Soft & Hard HRM				
3.6.2 Analysing human resource performance				
Labour Turnover & Retention Rates				
Labour Productivity				
Employee Costs as a Percentage of Turnover				
Labour cost per unit				
3.6.3 Making human resource decisions: improving organisational design and managing the human resource flow				
Job Design Hackman and Oldham (Key Model)				
Flexible Working				
Organisational Design Authority, Span & Hierarchy				
Organisational Design Delegation				
Organisational Design Centralisation & Decentralisation				
Human Resource Flow (resource plan; recruitment; training; redeployment; redundancy)				
3.6.4 Making human resource decisions: improving motivation and engagement				
Motivation Theories Taylor				
Motivation Theories Maslow				
Motivation Theories Herzberg				
Value of theories of motivation				
Financial Methods of Motivation (piece rate; commission; salary; performance-related pay)				
Non-Financial Methods of Motivation				
3.6.5 Making human resource decisions: improving motivation and engagement				
Influences on the extent and methods of employee involvement in decision making (trade unions; works councils)				
Managing and improving employee communications and relations				
Value of good employee relations				

