

## Component 3 Promotion and Finance for Enterprise

### Delivery of this component

Component 3 of the BTEC Tech Award in Enterprise brings together two contrasting aspects of successfully setting up and running a small enterprise: the promotion of an enterprise and the effective financial management of an enterprise.

Component 3 has a number of overlaps with the previous two components and teachers may choose to teach these aspects sequentially. Understanding these overlaps also presents the opportunity for cross-concept lessons, such as:

- Component 1 Learning aim B1 on customer needs, and Component 3 Learning aim A2 on targeting and segmenting the market
- Component 1 Learning aim C4 on measuring the success of an SME, and Component 3 Learning aim B3 on sources of revenue and costs
- Component 2 Learning aim A2 on identifying the target market and methods of communication, and Component 3 Learning aim A1 on elements of the promotional mix.

Component 3 may be taught at the same time as Component 1 in preparation for planning and running an enterprise. Although Component 3 is the externally assessed aspect of the course, it is perfectly suited to a range of assignment tasks linked to the main project or as preparation for the main project. For example, students could be given a range of mock enterprise scenarios from which they could develop a promotional campaign or produce a range of financial documents to analyse and support the running of a mock enterprise. Learning aim A of the component is particularly well suited to the application of real enterprises that can be found on the high street and those with which students will be familiar. To successfully embed the knowledge and skills required to understand the concepts in Learning aims B1–C4, it is advised that students have access to a wide range of financial exemplars and models.

### Assessment guidance

Component 3 is the externally assessed component. Students will complete a 60-mark external assessment based around a short enterprise scenario. The tasks will relate to the promotion and financial management of this enterprise.

The component suggests three scenarios and a range of assessment tasks. These case studies can be adapted and alternative assessment tasks can be set to help students prepare and revise. It is important that students have various opportunities to practise the external assessment task, so as to ensure that they are familiar with the format of questions and the presentation of information in graphical and tabular formats.



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| <b>Component title</b>       | Promotion and Finance for Enterprise |
| <b>Guided learning hours</b> | 48 (external)                        |
| <b>Number of lessons</b>     | 48                                   |
| <b>Duration of lessons</b>   | 1 hour                               |

| Lesson                           | Topic from specification                                                                                                                                                                                                                     | Suggested activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Classroom resources                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| <b>Learning aim A: Promotion</b> |                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 1                                | <p>A1 Elements of the promotional mix and their purposes</p> <p>The use of advertising to persuade and inform</p> <p>The two basic aspects of advertising:</p> <ul style="list-style-type: none"> <li>● message</li> <li>● medium</li> </ul> | <p><b>Introductory activity:</b> Students reflect on something in the media that persuaded them to want or purchase a product or service. The teacher takes these reflections into a discussion about what promotion is and how all enterprises use a promotional mix.</p> <p><b>Main session activities:</b></p> <ul style="list-style-type: none"> <li>● Students study a range of examples of promotion provided by the teacher. Alternatively, they can be given time to research their own examples.</li> <li>● Working individually, in groups or as part of a whole-class discussion, students compile a list of the methods of promotion used. They then discuss whether the promotion is effective.</li> <li>● Alternatively, students could pick a local enterprise they know. In small groups or individually, they create their own examples of promotion the enterprise could use to promote a new or existing product.</li> </ul> <p><b>Plenary activity:</b> In groups, students create a list of five criteria to judge the promotions studied/created by the class. They discuss what would make up a good promotional mix for an enterprise.</p> <p><b>Assignment opportunity:</b> The activities mentioned in this lesson could easily be expanded into a class assignment where students are given the opportunity to research, produce and evaluate a range of promotions. This opportunity may also be suitable following Lesson 6, when students have a greater understanding of the full range of promotional methods.</p> | <p>Students could be given the opportunity to research and identify their own examples of promotions. Alternatively, specific examples could be set by the teacher to ensure they are of an appropriate quality and serve the purpose of the lesson.</p> <p>Magazines, newspapers, supplements and examples of TV and radio advertising may be useful here (and throughout Learning aim A).</p> <p><i>Campaign</i> magazine (<a href="http://www.campaignlive.co.uk">www.campaignlive.co.uk</a>) may provide useful background information on current marketing, advertising and media trends – again, throughout Learning aim A.</p> <p><i>Campaign</i> magazine lists the most popular TV and radio adverts in any given year.</p> |

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| 2 | <p>A1 Elements of the promotional mix and their purposes</p> <p>Advertising methods:</p> <ul style="list-style-type: none"> <li>● moving image</li> <li>● print</li> <li>● ambient</li> <li>● digital</li> <li>● audio</li> </ul> | <p><b>Introductory activity:</b> Students select an appropriate advert that uses a range of techniques to inform and persuade customers. As a class, students review who the advert is targeted at, where it was placed and the techniques it uses to persuade customers.</p> <p><b>Main session activities:</b></p> <ul style="list-style-type: none"> <li>● Students are shown a range of adverts that have been selected for them. These could be from a variety of mediums but should include images and text. Alternatively, students could be given time to research and find their own examples for this task.</li> <li>● The teacher leads a discussion on the purposes of advertising. Students categorise the adverts according to whether their purpose is to inform, persuade or both. In a class discussion, they should be able to justify their choices and explain how the adverts use words/pictures to achieve their purpose.</li> <li>● The teacher leads a discussion on advertising methods and reminds students that products and methods need to work well together. The teacher provides a list of businesses, covering something local, something online, a national high street chain and something ethical. Students match each business with an appropriate advertising method.</li> </ul> <p><b>Plenary activity:</b> Students discuss the advantages and disadvantages of the different advertising methods they have learned about.</p> | <p>Students will need access to a variety of advertisements, which can include print adverts from magazines and newspapers, videos and adverts in public spaces.</p> <p>One useful resource for TV adverts is Top 50: UK TV Adverts<br/> <a href="http://www.youtube.com/watch?v=hG0ZXD89Bq0">www.youtube.com/watch?v=hG0ZXD89Bq0</a>) which has a range of classic TV advertisements. However, the teacher will need to go through this and note down the start times of adverts that can be shared with the whole class. (There are some advertisements – particularly for alcohol – which will not be suitable.)</p> |
| 3 | <p>A1 Elements of the promotional mix and their purposes</p> <p>Sales promotions</p>                                                                                                                                              | <p><b>Introductory activity:</b> Students discuss when they last bought a bargain. The teacher draws out why they thought it was a bargain and what the</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>For this lesson, students will need access to a variety of sales promotions. This may</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

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|   |                                                                                                                                                                  | <p>enterprise gained from it. Discussions should lead into the concept of sales promotions and boosting sales.</p> <p><b>Main session activities:</b></p> <ul style="list-style-type: none"> <li>• Whole-class discussion on the purpose of sales promotions. The teacher then asks students to think of different sales promotion methods and writes them on the whiteboard to produce a class mind map.</li> <li>• The teacher lists five different products for students to consider. Students work in pairs to identify what they would consider to be an effective sales promotion for each product. Afterwards, pairs are invited to justify their findings to the class.</li> <li>• The teacher explains that products generally have a life cycle. Students consider when, during the life cycle, a sales promotion might be useful – for example, when the product is new or when it is being changed or upgraded.</li> </ul> <p><b>Plenary activity (possible homework task):</b> Students reflect on their learning from this and the previous lesson on advertising with the following question: What are three differences between advertising and sales promotions? They can compare their thoughts at the start of the next lesson.</p> | <p>include examples of physical products.</p> <p>The IPM (<a href="http://www.theipm.org.uk">www.theipm.org.uk</a>), the UK trade body for the promotions industry, may provide useful background information.</p>                                                                                                                                                                                                |
| 4 | <p>A1 Elements of the promotional mix and their purposes</p> <ul style="list-style-type: none"> <li>• Personal selling</li> <li>• Purpose and methods</li> </ul> | <p><b>Introductory activity:</b> The teacher invites students to share examples of the last time a salesperson tried to sell them something. This leads on to a discussion about the skills a salesperson needs.</p> <p><b>Main session activities:</b></p> <ul style="list-style-type: none"> <li>• The teacher introduces students to the various personal selling techniques. The teacher then explains the five stages a salesperson should follow when they are selling – lead generation, qualify leads, demonstrate solutions, manage objections, deliver and support – but does not give these explanations in the correct order.</li> <li>• As a whole class, students attempt to put these stages into the correct order and explain what each stage involves. When appropriate, the teacher should mention that not all of the steps apply to all the personal selling techniques.</li> </ul>                                                                                                                                                                                                                                                                                                                                               | <p>The BBC TV programme <i>The Apprentice</i>, which aims to find a young person with entrepreneurial skills, has plenty of examples of selling, and of how to do it right and how to do it wrong. Teachers could search YouTube for examples. However, they should check through the videos first for bad language and inappropriate behaviour.</p> <p>Elevator pitches can provide examples of face-to-face</p> |

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|   |                                                                                                                                                                         | <ul style="list-style-type: none"> <li>In small groups, students discuss all the methods of personal selling they can think of, and the groups come together as a whole class to share ideas.</li> <li>Finally, students are invited to sell a product to the rest of the class using these stages. Alternatively, all students can produce a script using the stages.</li> <li>The teacher allows time for class evaluation.</li> </ul> <p><b>Plenary activity:</b> Students discuss the characteristics that may make someone a good salesperson, and what kinds of product or service might be suitable for personal selling.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>communication/selling opportunities, which students can classify as good or poor examples of 'personal selling'. One useful example can be found on YouTube, (<a href="http://www.youtube.com/watch?v=uyxfERV5ttY">www.youtube.com/watch?v=uyxfERV5ttY</a>), and could be shown before the plenary activity.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 5 | <p>A1 Elements of the promotional mix and their purposes</p> <ul style="list-style-type: none"> <li>Public relations activities</li> <li>Purpose and methods</li> </ul> | <p><b>Introductory activity:</b> The teacher introduces the concept of a public relations (PR) officer and gives examples of the responsibilities associated with the role. Students discuss any other responsibilities this role might include, and the purpose of public relations.</p> <p><b>Main session activities:</b></p> <ul style="list-style-type: none"> <li>Teacher-led discussion on methods of public relations and how they help enterprises.</li> <li>Students produce a press release for an event or newsworthy story associated with the school/college. They discuss their press releases and devise a list of criteria for writing successful press releases.</li> <li>In pairs, students study four examples of PR – two positive and two negative. As they share their examples in class, the teacher draws out the impact the pairs think the PR will have on the organisation (or person) it is associated with.</li> <li>Teacher-led discussion on how much control the organisation/individual may have had when producing the PR.</li> </ul> <p><b>Plenary activity (possible homework task):</b> Students note down the differences between public relations and a sales promotion. They briefly explain why people might pay more attention to PR than they would an advert. Finally, they consider how effective publicity stunts can be at getting media attention.</p> | <p>Students will require examples of positive and negative PR. This could be in the format of news stories, press releases or product reviews.</p> <p>Examples of positive/good PR can be found on the PR Examples website (<a href="http://www.prexamples.com/2016/12/2016-in-review-top-20-pr-campaigns-and-stunts-of-the-year/">www.prexamples.com/2016/12/2016-in-review-top-20-pr-campaigns-and-stunts-of-the-year/</a>), but teachers should monitor these first to check suitability.</p> <p>Examples of negative/bad PR can be found on the PHA Media website (<a href="http://www.pha-media.com/insights/crisis-reputation-management/top-ten-worst-reputation-management-disasters/">www.pha-media.com/insights/crisis-reputation-management/top-ten-worst-reputation-management-disasters/</a>). Teachers should select appropriate examples.</p> <p>Students will also require good examples of a press release. Prezly, which helps enterprises</p> |

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| 6 | <p>A1 Elements of the promotional mix and their purposes</p> <ul style="list-style-type: none"> <li>• Direct marketing</li> <li>• Establishing individual relationships with customers: methods</li> </ul> | <p><b>Introductory activity:</b> As a whole class, students produce a mind map of the ways in which an enterprise might directly communicate with its customers. The teacher draws out examples from a range of channels –including print media, letters, email and so on – and uses these examples to explain the concept of direct marketing and how this differs from other forms of promotion.</p> <p><b>Main session activities:</b></p> <ul style="list-style-type: none"> <li>• In small groups, students analyse the use of customer magazines to ascertain how each one promotes its brand, and whether reading an online version of a magazine promotes online sales. Students compare the contents of these magazines, suggesting reasons for any similarities or differences.</li> <li>• Working individually, students rank the magazines they have looked at, in order of most effective to least effective at promoting the company's products. As a group, they compare their findings and explain their ranking decisions.</li> <li>• Students consider two business scenarios, which the teacher reads out. For each business, they identify two or three direct marketing strategies the company could use to encourage customers to purchase a new product.</li> <li>• <b>Scenario 1:</b> A membership-based luxury spa, operating locally, is looking to give free treatments to existing members if they 'introduce a friend' to the spa membership scheme.</li> <li>• <b>Scenario 2:</b> A national car hire company is looking to make potential customers aware of a special offer on high-end luxury car models.</li> </ul> <p><b>Plenary activity:</b> Students rank the methods of direct marketing they have learned about based on their:</p> <ol style="list-style-type: none"> <li>1. effectiveness at attracting attention</li> </ol> | <p>Students will need access to customer magazines produced by companies. These can be online versions or physical copies. To support this lesson, it would be useful for students to see and review a range of 'junk mail' to consider how this format of promotion can be used.</p> <p>Online customer magazines include M&amp;S Style and Living (<a href="http://www.marksandspencer.com/c/s-tyle-and-living">www.marksandspencer.com/c/s-tyle-and-living</a>).</p> |

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|   |                                                                                                                                                                                         | <p>2. overall cost.</p> <p>Students also give reasons for their decisions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 7 | <p>A2 Targeting and segmenting the market</p> <p>Types of markets:</p> <ul style="list-style-type: none"> <li>business to business (B2B)</li> <li>business to consumer (B2C)</li> </ul> | <p><b>Introductory activity:</b> Students consider making a purchase from a business of their choice. As a whole class, they discuss the factors that are important in making decisions like these. The teacher uses this activity to identify some factors that influence decision-making and how these contrast in a B2B and B2C market.</p> <p><b>Main session activities:</b></p> <ul style="list-style-type: none"> <li>Teacher-led discussion on how brand characteristics/identities are developed, and what effect these can have on consumers.</li> <li>As a whole class, students decide on three brands they are familiar with and discuss the factors that have contributed to those brands' identities. The teacher leads this process by asking students to call out words associated with each brand. This leads on to a discussion about which promotional strategies each brand has used.</li> <li>Groups of students are each allocated a list of goods. For each of these goods, students choose promotional strategies for both a B2B and B2C market. As a whole class, students share their ideas about how the promotional activities for the goods might differ depending on the market, and why.</li> </ul> <p><b>Plenary activity:</b> Students reflect on their learning by considering why decisions related to a B2C market are based more on emotions. They then discuss how a promotion in a B2B market might be different from a B2C market.</p> | <p>Students will need access to companies that sell in both B2B and B2C markets. Local Chambers of Commerce may have lists of B2B and B2C enterprises in the school or college's area.</p> <p>For background information, a range of national/international B2B companies can be found on B2B Marketing's B2B Directory (<a href="http://www.b2bmarketing.net/en-gb/b2b-directory">www.b2bmarketing.net/en-gb/b2b-directory</a>).</p> <p>A range of national/international B2C companies can be found on the VentureRadar website (<a href="http://www.ventureradar.com/keyword/B2C">www.ventureradar.com/keyword/B2C</a>).</p> |
| 8 | <p>A2 Targeting and segmenting the market</p> <ul style="list-style-type: none"> <li>Demographic</li> <li>Geographic</li> </ul>                                                         | <p><b>Introductory activity:</b> The teacher asks students to note down their favourite foods, hobbies, school subject, TV programme, and so on. They then explain how we are all different, meaning that enterprises may need to target us in different ways to persuade us to buy their products. This leads on to a discussion of the reason for variation in goods and services.</p> <p><b>Main session activities:</b></p> <ul style="list-style-type: none"> <li>The teacher lists examples of three different families. For each family, students discuss a suitable event they might enjoy, giving reasons for their decisions.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>A variety of specific examples of market segmentation in different industries can be found on the Segmentation Study Guide website (<a href="http://www.segmentationstudyguide.com">www.segmentationstudyguide.com</a>).</p> <p>A useful website for a segmentation case study is the Taste of Spain</p>                                                                                                                                                                                                                                                                                                                     |



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|   |                                                                                                                                    | <ul style="list-style-type: none"> <li>Teacher-led discussion on the different factors involved in demographic segmentation. Students think about what influence these factors could have on customer decisions.</li> <li>Using the Taste of Spain website, the teacher highlights that regions of a country also offer different things. Students discuss how geographical differences might affect the decisions of an enterprise.</li> </ul> <p><b>Plenary activity:</b> Students decide on the segmentation factor, such as age, gender or income, that they think is the most important. They then think of a product or service they know and consider how the area of segmentation they have chosen applies to it, considering which are most relevant. They should share their opinions with the class and explain them.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <a href="http://www.thetasteofspain.com/blog/differences-between-the-north-and-south-of-spain/">(www.thetasteofspain.com/blog/differences-between-the-north-and-south-of-spain/)</a> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 9 | <p>A2 Targeting and segmenting the market</p> <ul style="list-style-type: none"> <li>Psychographic</li> <li>Behavioural</li> </ul> | <p><b>Introductory activity:</b> The teacher defines psychographic and behavioural segmentation and explains they are not as straightforward as demographic and geographic segmentation. Students attempt a discussion at why psychographic and behavioural market segmentation might be important, considering promotions they can think of that have been introduced to target certain people.</p> <p><b>Main session activities:</b></p> <ul style="list-style-type: none"> <li>Using the sporting goods market, students note down examples of products, companies and brands that could be aimed at two people with contrasting lifestyles, giving reasons for their answers.</li> <li>Students discuss which person is more likely to stay loyal to the sporting goods and brands students identify. This acts as a starting point for a teacher-led discussion on what psychographic and behavioural segmentation mean.</li> <li>In pairs or small groups, students list key features of a technological product. They note down how the product can be aimed at people with different interests and lifestyles. Finally, they discuss how the manufacturer might target these different potential customers.</li> </ul> <p><b>Plenary activity:</b> The teacher recaps segmentation types covered in this and the previous lesson. Students have an opportunity to ask questions about areas they are not clear on. Students will see that it is not always possible to segment a market using several factors.</p> | <p>Students could use the internet to find examples of sporting goods and images of brands that relate to the different market segments. The teacher should guide them on suitable search terms to use.</p> <p>Useful background on sporting information for the teacher might include:</p> <ul style="list-style-type: none"> <li>Statista, a statistics portal (<a href="http://www.statista.com/statistics/313005/leading-brands-of-sports-clothing-in-the-uk/">www.statista.com/statistics/313005/leading-brands-of-sports-clothing-in-the-uk/</a>), which gives details on sports clothing brands</li> <li>Forbes, a financial organisation (<a href="http://www.forbes.com/pictures/mlm45jemm/1-nike/#19ebd6d7314e">www.forbes.com/pictures/mlm45jemm/1-nike/#19ebd6d7314e</a>) which gives details of the world's most valuable sports brands.</li> </ul> |



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| 10 | A3 Factors influencing the choice of promotional methods | <p><b>Introductory activity:</b> In order to recap learning from previous lessons, students list all of the promotional methods they know of and identify one benefit and one drawback for each. They think about which methods of promotion two contrasting enterprises might use, and whether each enterprise uses the same methods, despite their differences.</p> <p><b>Main session activities:</b></p> <ul style="list-style-type: none"> <li>• The teacher discusses the factors that an enterprise might consider when choosing its promotional methods.</li> <li>• Students research the cost of a variety of promotional mediums and compare the results, explaining why some might be more expensive than others.</li> <li>• In small groups, students produce a graph that shows the overall cost of using a variety of promotional methods, and the reach of each method. They plot where on the graph each promotional method they have learned about should go.</li> </ul> <p><b>Plenary activity:</b> Students suggest promotional campaign ideas and methods for three different businesses, justifying their choices.</p> <p><b>Assignment opportunity:</b> This is an excellent opportunity to consolidate learning throughout Learning aim A. This activity could be extended over a number of weeks and additional criteria can be added to produce a comprehensive promotion plan. Alternatively, students could begin to apply the promotional mix to their chosen enterprise.</p> | <p>Before putting together their promotional mix, students could research successful marketing campaigns. This will encourage them to think creatively about their own mix. There is an opportunity here for teachers to highlight that marketing and advertising is a very creative industry.</p> <p>Suitable websites for further information include:</p> <ul style="list-style-type: none"> <li>• HubSpot<br/>(<a href="http://www.blog.hubspot.com/blog/tabid/6307/bid/32763/the-10-greatest-marketing-campaigns-of-all-time.aspx">www.blog.hubspot.com/blog/tabid/6307/bid/32763/the-10-greatest-marketing-campaigns-of-all-time.aspx</a>)</li> <li>• Brandwatch<br/>(<a href="http://www.brandwatch.com/blog/best-marketing-campaigns-2016/">www.brandwatch.com/blog/best-marketing-campaigns-2016/</a>).</li> </ul> |
| 11 | Learning aim A: assessment practice<br>Assessment        | <p><b>Introductory activity:</b> The teacher explains how the assessment works, including timescales and requirements for the assessment material.</p> <p><b>Main session activity:</b></p> <p>Students take what they have learned to a scenario and complete a number of tasks to demonstrate their knowledge.</p> <p><b>Plenary activity:</b> Teacher leads a check on the students' understanding of key terminology. In pairs, students review their answers to the tasks. This can happen before or after their work has been marked.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>Assignment details and copies of the specification.</p> <p>Research materials.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

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|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 12                                       | Assessment                                                                                                                                                                                                                                           | The teacher provides students with a summative mock assessment for this learning aim to assess what they have learned so far.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Assignment details and copies of the specification.<br>Research materials.                                                                                                                                                                                                                                                                                                                   |
| <b>Learning aim B: Financial records</b> |                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                              |
| 13                                       | <p>B1 Financial documents</p> <ul style="list-style-type: none"> <li>Types: invoices, delivery notes, purchase orders, credit notes, receipts</li> <li>Importance to a business of accuracy when these documents are being used</li> <li></li> </ul> | <p><b>Introductory activity:</b> Students study a range of financial documents for the management of enterprise transactions. They analyse the statements and interpret the documents.</p> <p><b>Main activities:</b></p> <ul style="list-style-type: none"> <li>The teacher provides a business scenario involving a range of financial transactions. This could be presented to students as a timeline of events over the course of a week.</li> <li>Students use financial templates to create the relevant financial documents to support these transactions.</li> <li>In small groups, students exchange and discuss these documents.</li> </ul> <p><b>Plenary activity:</b> Students apply a range of 'What if...' scenarios to their transactions – for example, a customer rings to complain that they have not received goods, or payment is not made by a customer. Students reflect on the documents they have produced and consider how they could use them to ensure an enterprise runs smoothly.</p> | <p>Mock or real (expired) financial documents, which can act as templates. Potentially use invoices orders, etc. from the school or download mock examples from the web.</p> <p>If photocopies are used, students can annotate these.</p>                                                                                                                                                    |
| 14                                       | <p>B2 Payment methods</p> <ul style="list-style-type: none"> <li>Cash, credit cards, debit cards, direct debit, payment technologies</li> <li>Impact on customers and enterprises of using different methods</li> </ul>                              | <p><b>Introductory activity:</b> Students are shown examples of debit and credit cards. They discuss the various elements on the cards (e.g. security numbers and electronic chips), then discuss the basic differences between them. They then move on to other methods of payment, such as cash, bank accounts and online technology.</p> <p><b>Main activities:</b></p> <ul style="list-style-type: none"> <li>Students are given a weekend agenda including a list of transactions they might make such as buying meal, purchasing a holiday, spending time with friends, etc. They will have (an imaginary) £30 cash, £150 in their bank account (accessed by debit card) and a credit card with a £400 limit. For each transaction they make, they should identify the best payment method.</li> </ul>                                                                                                                                                                                                       | <p>Photographs of debit and credit cards or examples of old debit and credit cards.</p> <p>Weekend agendas for students – including the amounts of money they should keep track of.</p> <p>Useful websites to explore the differences between debit and credit cards include The UK Cards Association (<a href="http://www.theukcardsassociation.org">www.theukcardsassociation.org</a>)</p> |

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|    |                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>As a class, students identify the benefits and limitations of the types of spending they have made.</li> <li>Students research ecommerce websites. They discuss how the sites work and list the benefits of using technology when making payments.</li> </ul> <p><b>Plenary activity:</b> Students identify one type of transaction that would be most appropriate for each payment method they have explored.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p><a href="https://www.diffen.com/difference/Credit_Card_vs_Debit_Card">.uk/cards-transactions/card-type-s.asp</a>).</p> <p>Diffen's website (<a href="https://www.diffen.com/difference/Credit_Card_vs_Debit_Card">www.diffen.com/difference/Credit Card vs Debit Card</a>) also offers a comparison between debit and credit cards.</p>                                                                                                                                                                                                           |
| 15 | <p>B3 Sources of revenue and costs</p> <ul style="list-style-type: none"> <li>Income from sales and from assets</li> <li>Start-up costs and running costs</li> </ul>                                                     | <p><b>Introductory activity:</b> Students list all the costs they can think of for a small business, such as a café selling baked potatoes. They then categorise their list into start-up costs and running costs.</p> <p><b>Main activities:</b></p> <ul style="list-style-type: none"> <li>Students research the costs of running a small enterprise, such as a food outlet at a festival or an outdoor event, and list them. The teacher reminds the class to consider all the costs – including items such as pitch fee – and draws out start-up costs, running costs (categorised into fixed and variable) and revenue (average price and projected sales volumes).</li> <li>When costs and potential revenues have been researched, students use formulas to project financial forecasts for operating a stall over a weekend.</li> <li>As a class, students discuss how variable costs might apply to this sort of a venture, and then include these in their forecasts.</li> </ul> <p><b>Plenary activity:</b> Students present their financial plans, justifying their estimates. The teacher leads a discussion on the difficulties of creating financial forecasts.</p> | <p>Students can research examples of business plans to see how financial information is presented by accessing the Bplan website (<a href="https://www.bplans.com/sample_business_plans.php">www.bplans.com/sample_business_plans.php</a>).</p> <p>Students can also download a template from Plan Projections (<a href="https://www.planprojections.com/calculators/start-up-costs/">www.planprojections.com/calculators/start-up-costs/</a>) to help them calculate their start-up costs, which could be used to support the starter activity.</p> |
| 16 | <p>B4 Terminology in financial statements</p> <ul style="list-style-type: none"> <li>Turnover (net sales) and cost of sales (cost of goods sold)</li> <li>Gross profit, expenses, net profit, retained profit</li> </ul> | <p><b>Introductory activity:</b> The teacher asks students to answer these questions, filling in details they have missed: What is profit? Why is it important? How is it calculated? How can businesses maximise profits?</p> <p><b>Main activities:</b></p> <ul style="list-style-type: none"> <li>Students are given two small business scenarios for an enterprise and its financial data (e.g. sales, pricing, raw materials and expenses). Enterprises could include a burger van or a window cleaning business</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>A guide to business planning can help students explore the types of costs an enterprise is likely to pay. A PDF by British Columbia's Ministry of Small Business and Economic Development may be useful and</p>                                                                                                                                                                                                                                                                                                                                   |

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|    |                                                                                                                                                                                                                                                                    | <p>– the complexity of the business could be increased for the most able. The teacher guides students to calculate the profit the business makes in a specific period.</p> <ul style="list-style-type: none"> <li>The teacher introduces key financial concepts (e.g. turnover, cost of sales, gross profit, expenses and net profit). Students construct a simple table of information to help them understand the concepts. The teacher might want to briefly introduce the statement of comprehensive income, which will be covered in Lesson 18.</li> </ul> <p><b>Plenary activity:</b> Students define the key financial terms from this lesson in their own words: turnover, cost of sales, gross profit, expenses and net profit.</p>                                                                                                                                                                                                                                                                                                                                                                                 | <p>can be accessed at:<br/> <a href="http://public-files.prbb.org/intervals/docs/16760815-Business-Planning.pdf">http://public-files.prbb.org/intervals/docs/16760815-Business-Planning.pdf</a></p> <p>Note: the document was produced in Canada, but the details may be useful.</p>                                                                                                                                                                                                                                                                                                                             |
| 17 | <p>B4 Terminology in financial statements</p> <ul style="list-style-type: none"> <li>Fixed assets and current assets</li> <li>Current liabilities and long-term liabilities</li> <li>Debtors and creditors</li> <li>Net current assets</li> <li>Capital</li> </ul> | <p><b>Introductory activity:</b> Students consider the concept of assets and liabilities (debts) by listing all the things a small café might own, and all the things it might owe.</p> <p><b>Main activities:</b></p> <ul style="list-style-type: none"> <li>Students are given two business scenarios, similar to those provided in the previous lesson.</li> <li>They make a list of each business's assets and liabilities from the information provided, dividing them into current and long-term liabilities, and fixed and current assets.</li> <li>The teacher introduces the concept of capital, explaining that the value of an enterprise has to come from somewhere – e.g. owners/shareholders, or loans.</li> <li>Students discuss what they think is the best type of capital – a loan or shares – justifying their choices.</li> </ul> <p><b>Plenary activity:</b> The teacher briefly introduces the format of a statement of financial position (covered in Lesson 19) and explains how this information is usually presented. Students discuss why enterprise owners calculate assets and liabilities.</p> | <p>It is important that students understand that financial accounts can be presented in different formats. Sources of examples include:<br/> Accounting-Simplified.com<br/> (<a href="http://accounting-simplified.com/financial/statements/statement-of-financial-position.html">http://accounting-simplified.com/financial/statements/statement-of-financial-position.html</a>) and<br/> My Accounting Course<br/> (<a href="http://www.myaccountingcourse.com/financial-statements/statement-of-financial-position">www.myaccountingcourse.com/financial-statements/statement-of-financial-position</a>).</p> |
| 18 | B5 Statement of comprehensive income                                                                                                                                                                                                                               | <p><b>Introductory activity:</b> The teacher explains that a number of stakeholders may be interested in a statement of comprehensive income. Students suggest the different kinds of stakeholders and the reasons for their interest.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>A simple bar graph showing gross profit rising and net profit falling, which can be displayed or handed out to students.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

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|  | <ul style="list-style-type: none"> <li>● Profit or loss of an enterprise over time</li> <li>● Calculate profit/loss using a simple statement of comprehensive income</li> </ul> | <p><b>Main activities:</b></p> <ul style="list-style-type: none"> <li>● The teacher outlines the key information included on a statement of comprehensive income.</li> <li>● Students are given financial data for a business scenario they have used in previous lessons, such as a burger van or window cleaning business, from which they construct their own statement of comprehensive income.</li> <li>● Students complete their statement by adding in gross profit and net profit.</li> <li>● Students are given further data and make adjustments to the statements based on this. The new statement will show that the enterprise has made a loss.</li> <li>● When students have finished their amended statements, the teacher leads a discussion on how the business might have made the loss.</li> </ul> <p><b>Plenary activity:</b> Based on the two statements students have produced, students write a paragraph to the business owner advising how the business could improve its performance.</p> | <p>Financial data for the business scenarios students have already covered in previous lessons, to include: turnover (e.g. 4,000 units), cost of sales (e.g. £1.50 per unit), expenses (e.g. rent, heat), administration, marketing fees and salaries.</p> <p>Additional financial data (e.g. changes to the amount of rent or cost per unit/turnover) should be prepared. It should be constructed so that the statement will show a loss.</p> |
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| 19 | <p>B6 Statement of financial position</p> <ul style="list-style-type: none"> <li>● Complete and interpret a statement of financial position</li> <li>● Capture financial performance of an enterprise at a point in time</li> <li>● Categorise total assets and liabilities using a statement of financial position</li> </ul> | <p><b>Introductory activity:</b> The teacher recaps on the difference between fixed and current assets and the distinction between an asset and a liability.</p> <p><b>Main activities:</b></p> <ul style="list-style-type: none"> <li>● The teacher outlines the key pieces of information included on a statement of financial position.</li> <li>● In groups, students are given a business scenario and key financial information from which they construct their own statement of financial position.</li> <li>● Students are then given a second business scenario, from which they construct another statement of financial position.</li> <li>● Based on the two statements, the teacher asks each group to discuss these questions: <ul style="list-style-type: none"> <li>○ Which business is worth the most?</li> <li>○ Which business has the best working capital (net current asset) position?</li> <li>○ Which business is financed through long-term debt?</li> </ul> </li> <li>● <b>Plenary activity:</b> Students give one piece of advice to each business on how they can improve their performance.</li> </ul> | <p>Examples of statements of financial position. Although the figures are shown in dollars, Accounting-Simplified (<a href="http://accounting-simplified.com/financial/statements/statement-of-financial-position.html">http://accounting-simplified.com/financial/statements/statement-of-financial-position.html</a>) has some useful examples, as does My Accounting Course (<a href="http://www.myaccountingcourse.com/financial-statements/statement-of-financial-position">www.myaccountingcourse.com/financial-statements/statement-of-financial-position</a>).</p> <p>Two business scenarios, such as a gardening or house cleaning service, plus financial data about the business that can be added to a statement of financial position. The two URLs above can be used as templates.</p> |
| 20 | <p>B7 Profitability and liquidity</p> <p>Interpret statements of comprehensive income and of financial position to calculate ratios that show:</p> <ul style="list-style-type: none"> <li>● the difference between cash and profit</li> <li>● the difference between liquidity and profitability</li> </ul>                    | <p><b>Introductory activity:</b> The teacher leads a discussion on why some businesses fail and some succeed, drawing out causes such as cash flow and competition.</p> <p><b>Main activities:</b></p> <ul style="list-style-type: none"> <li>● The teacher briefly explains the difference between cash and profit. Students give examples of the cash in a business. Students learn two simple formulas to help them calculate a cash balance and profit.</li> <li>● The teacher then explains the difference between liquidity and profitability.</li> <li>● Students complete a table like the one below with financial data for a business over a period of time. They add in typical transactions and</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                              | <p>To complete this activity, students should be provided with copies of the transactions table.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

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|             |                                                                                                                                                                                                                                                                                                                                     | <p>likely amounts to the correct column, calculating the balance as they go along.</p> <table><tr><th>Transaction</th><th>Date</th><th>Cash out</th><th>Cash in</th><th>Balance</th></tr><tr><td></td><td></td><td></td><td></td><td></td></tr></table> <p>Using their completed tables, students discuss what the owners of the enterprise might have done to ensure enough cash was available.</p> <ul style="list-style-type: none"><li>The table can also be used to calculate profit, should the enterprise have managed its cash effectively. The absolute values (total receipts and total expenditure) can also be calculated to demonstrate the difference between cash and profit.</li></ul> <p><b>Plenary activity:</b> In pairs, students review the difference between cash and profit, and the difference between liquidity and profitability, giving a business example of each.</p>                                                                                                                                                                                                                                                                                                                                | Transaction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Date    | Cash out | Cash in | Balance |  |  |  |  |  |  |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|----------|---------|---------|--|--|--|--|--|--|
| Transaction | Date                                                                                                                                                                                                                                                                                                                                | Cash out                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Cash in                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Balance |          |         |         |  |  |  |  |  |  |
|             |                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |         |          |         |         |  |  |  |  |  |  |
| 21          | <p>B7 Profitability and liquidity</p> <p>Profitability ratios</p> <p>Calculate profitability ratios from given formulas:</p> <ul style="list-style-type: none"><li>gross profit margin percentage (GPM): (gross profit ÷ revenue) x 100</li><li>net profit margin percentage (NPM): (net profit ÷ revenue) x 100</li><li></li></ul> | <p><b>Introductory activity:</b> The teacher leads a discussion on the different ways an enterprise's performance can be measured. The teacher helps students see that actual profit figures depend on a number of factors, including past performance and the margins.</p> <p><b>Main activities:</b></p> <ul style="list-style-type: none"><li>The teacher defines what a ratio is, then leads a review of two or three examples of a statement of comprehensive income, recapping some of the features of this type of document and what they show. Students make a few general comments about the statements in terms of profitability.</li><li>The teacher explains gross profit margin and net profit margin, and outlines the formula for each. Students calculate these for the statements of comprehensive income they have reviewed.</li><li>Students compare the information now available on their statements to that previously interpreted, and discuss whether this has given them a better insight into the financial performance of these companies.</li></ul> <p><b>Plenary activity:</b> Students discuss why, generally, service providers might have higher profit margins than manufacturing businesses.</p> | <p>It is useful to provide students with paper copies of financial statements so they can highlight key information and carry out workings on paper. This will help them to revise this topic.</p> <p>The Office of National Statistics produces data on the profitability of UK businesses at (<a href="http://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/bulletins/profitabilityofukcompanies/julytosept2016">www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/bulletins/profitabilityofukcompanies/julytosept2016</a>).</p> |         |          |         |         |  |  |  |  |  |  |



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| 22                                                        | <p>B7 Profitability and liquidity</p> <p>Liquidity ratios</p> <p>Calculate liquidity ratios from given formulas:</p> <ul style="list-style-type: none"> <li>current ratio: <math>\text{current assets} \div \text{current liabilities}</math></li> <li>liquid capital ratio: <math>(\text{current assets} - \text{inventory}) \div \text{current liabilities}</math></li> <li></li> </ul> | <p><b>Introductory activity:</b> The teacher recaps on the definition of a ratio then leads a discussion on how owners and managers of an enterprise can use financial ratios to gain a greater understanding of performance.</p> <p><b>Main activity:</b></p> <ul style="list-style-type: none"> <li>The teacher leads a review of two examples of a statement of financial position, recapping some of the features of this type of document and what they show. Students comment on the statements in terms of liquidity and working capital – e.g. assets of the business versus liabilities.</li> <li>The teacher explains the concept of current ratio and liquid capital ratio. Students calculate these for their statements of financial position.</li> <li>Students compare the information now available on their statements to that previously interpreted and discuss whether it has given them a better insight into the liquidity of these two businesses.</li> </ul> <p><b>Plenary activity:</b> Using a list of local enterprises, students choose which ratio would be the most appropriate for each one to calculate its liquidity. For example, the sandwich chain Subway holds stock that is quickly converted into cash because it is perishable, so current ratio may be the most appropriate.</p> | <p>A list of enterprises in the local area.</p>                                                  |
| 23                                                        | <p>Learning aim B: assessment practice</p> <p>Assessment</p>                                                                                                                                                                                                                                                                                                                              | <p><b>Introductory activity:</b> The teacher explains how the assessment works, including timescales and requirements for the assessment material.</p> <p><b>Main activity:</b></p> <ul style="list-style-type: none"> <li>Students take what they have learned to work on a scenario and complete a number of tasks to demonstrate their knowledge.</li> </ul> <p><b>Plenary activity:</b> In pairs, students review their answers to the tasks. This can happen before or after their work has been marked.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p>Assignment details.</p> <ul style="list-style-type: none"> <li>Research materials.</li> </ul> |
| 24                                                        | <ul style="list-style-type: none"> <li>Assessment practice</li> </ul>                                                                                                                                                                                                                                                                                                                     | <p>The teacher provides students with a summative mock assessment on this learning aim to assess what they have learned so far.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>Assignment details.</p> <p>Research materials.</p>                                            |
| <b>Learning aim C: Financial planning and forecasting</b> |                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                  |
| 25                                                        | <ul style="list-style-type: none"> <li>C1 Using cash flow data</li> </ul>                                                                                                                                                                                                                                                                                                                 | <p><b>Introductory activity:</b> Whole-class discussion on cash inflows and outflows for a typical business, with students contributing examples.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>Students should be given a suitable table to help them</p>                                    |

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- Cash – liquid assets of the business; bank balance plus cash in the business
- Cash flow – difference between the cash flowing into the business (inflows) and the cash flowing out of the business (outflows), positive and negative liquidity
- Difference between sales and purchases

**Main activity:** The teacher provides students with a business scenario to calculate the inflows and outflows (sales and purchases) for an enterprise. The activity should demonstrate that businesses can run out of cash, even if they have the potential to be profitable. An example is given below.

*Wafeeqa starts the week with £3000 in her business bank account.*

*Wafeeqa is confident of maintaining a positive cash flow as she estimates that a large customer will pay her at the end of the week.*

| Day           | Transaction                                                               | Inflow | Outflow |
|---------------|---------------------------------------------------------------------------|--------|---------|
|               | Wafeeqa starts the week with £3000 in her bank account                    | £3000  |         |
| Mon           | Wafeeqa pays her suppliers for the stock she ordered for a total of £1000 |        |         |
| Tues          | Wafeeqa sells an order of flip flops for cash £2000                       |        |         |
| Wed           | Wafeeqa pays for stock received, totalling £1000                          |        |         |
| Thurs         | First instalment of a loan is repaid to the bank for £2000                |        |         |
| Fri           | Wafeeqa receives a cheque from her main customer for the sum of £800      |        |         |
| Sat           | Wafeeqa pays the rent on her business premises – £2000                    |        |         |
| <b>Totals</b> |                                                                           |        |         |

organise the information on cash inflows and cash outflows.

The Macquarie Group provides a suitable short YouTube video introducing cash flow at [www.youtube.com/watch?time\\_continue=16&v=z3G8r48wnpo](http://www.youtube.com/watch?time_continue=16&v=z3G8r48wnpo).

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|    |                                                                                                                                                                                                                                                                                                                                       | <p><b>Plenary activity:</b> The teacher recaps on the difference between cash and profit. Students discuss if Wafeeqa has a profitable enterprise.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 26 | <ul style="list-style-type: none"> <li>• C1 Using cash flow data</li> <li>• Cash flow statement: the cash inflows and the cash outflows over the past 12 months</li> <li>• Cash flow forecast: the forecasted future cash inflows (from sales) and the outflows (such as raw materials, wages) per month over a set period</li> </ul> | <p><b>Introductory activity:</b> Students study some simple cash flow information. They run through the calculations to ensure they understand how cash flow statements work. The teacher answers any student questions.</p> <p><b>Main activities:</b></p> <ul style="list-style-type: none"> <li>• The teacher recaps on the concept of a cash flow statement using a blank table.</li> <li>• Students are guided through the calculation of a cash flow statement: (inflows – outflows = net cash flow) + opening balance = closing balance. They examine a range of financial information including inflows and outflows over a month.</li> <li>• Students construct their own cash flow forecast using details such as those below. This could relate to personal finance as easily as a small enterprise.</li> </ul> <p><b>Income</b></p> <p><i>Alex works in a bank and takes home £1200 per month after tax deductions.</i></p> <p><i>Alex also anticipates a Christmas bonus in the region of £200.</i></p> <p><i>Alex has some money saved in a Cash ISA and earns interest of £25 a quarter (Feb, May, Aug, Nov).</i></p> <p><b>Expenditure</b></p> <p><i>Alex pays £500 per month rent.</i></p> <p><i>Alex's gas and electricity bills are approx. £80 a quarter (Mar, Jun, Sept, Dec).</i></p> <p><i>Alex pays car insurance and tax by direct debit at a rate of £30 per month.</i></p> <p><i>Weekly essentials, such as food and other goods, are estimated to be £190 per month.</i></p> <p><i>Alex has a small Post Office savings account, adding £25 each month.</i></p> | <p>Examples of cash flow statements can be found using Google Images.</p> <p>Examples of YouTube videos to explain the concept of cash flow statements/forecasts include:</p> <p>Propel Nonprofits, available at (<a href="http://www.youtube.com/watch?v=LbLcXZ-rSQ0">www.youtube.com/watch?v=LbLcXZ-rSQ0</a>).</p> <p>A useful video introduction to a cash flow forecast can be found through Tutor2u, available at (<a href="http://www.youtube.com/watch?v=dLHZy4DWMKM">www.youtube.com/watch?v=dLHZy4DWMKM</a>).</p> |

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|    |                                                                                                                                                                                                                                                                                                                                                                                                                           | <p><i>Alex enjoys music and buying new clothes and predicts an approximate spend of £80 per month on luxuries.</i></p> <p><i>Alex's mobile and internet bill varies but is approx. £40 a quarter (Jan, Apr, July, Oct).</i></p> <p><i>Next year Alex and a friend are going on holiday to Costa Rica. They have been saving up for a long time but Alex has a £300 deposit to pay in May.</i></p> <p><i>Apart from nights out, Alex's other vice is supporting Tottenham Hotspur and he is a season ticket holder. The £450 payment for this is in August.</i></p> <p><b>Plenary activity:</b> Students examine a range of adjustments and discuss what impact this would have on the cash flow forecast. They should be encouraged to use the appropriate terminology.</p> <p><b>Income</b></p> <p><i>Alex has had a pay rise. Instead of taking home £1200 per month, this is now £1250 after tax deductions.</i></p> <p><i>Alex's Christmas bonus has also gone up to £250.</i></p> <p><b>Expenditure</b></p> <p><i>In March, Alex decided to join a gym, which costs £25 per month.</i></p> <p><i>Alex's rent went up in June to £515 per month.</i></p> |                                                                                                                                                                                                                                                                                                                                                                                                      |
| 27 | <p>C2: Financial forecasting</p> <p>Purpose of a cash flow forecast:</p> <ul style="list-style-type: none"> <li>to identify money coming in (inflows) and going out (outflows) of the enterprise over time</li> <li>to determine net current asset requirements and make business decisions</li> </ul> <p>Inflows:</p> <ul style="list-style-type: none"> <li>sales</li> <li>capital introduced</li> <li>loans</li> </ul> | <p><b>Introductory activity:</b> Students identify the things that an owner of an enterprise might want to forecast and discuss why this information would be useful.</p> <p><b>Main activities:</b></p> <ul style="list-style-type: none"> <li>Students construct a full cash flow forecast for Pierre's T-shirt business from January to May.</li> </ul> <p><i>Opening balance January: £500</i></p> <p><i>Sales revenue: Jan £600, Feb £1000, Mar £3200, Apr £5300, May £6800</i></p> <p><i>Stock: Jan £2000, Feb £500, Mar £700, Apr £1000, May £2000</i></p> <p><i>Wages: £800 each month</i></p> <p><i>Overheads: £150 each month</i></p> <p><i>Rent: £1600 each month</i></p> <ul style="list-style-type: none"> <li>Students discuss the issues that may affect cash flow.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                | <p>As a case study, students may like to explore starting a T-shirt printing business using the Better Lemonade Stand website (<a href="http://www.abetterlemonadestand.com/how-to-start-an-online-tshirt-business-24-hour-guide-challenge/">www.abetterlemonadestand.com/how-to-start-an-online-tshirt-business-24-hour-guide-challenge/</a>) for inspiration (note: prices appear in dollars).</p> |

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|    | <p>Outflows:</p> <ul style="list-style-type: none"> <li>• purchases</li> <li>• running costs</li> </ul>                                                                                                                                                                                                                                                                                             | <p><b>Plenary activity:</b> As a class, students explore the issues that Pierre might face if he chose not to produce a cash flow forecast for his business.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                 |
| 28 | <p>C3 Suggesting improvements to cash flow problems</p> <ul style="list-style-type: none"> <li>• Analysis of cash flow information – considering changes in inflows and outflows over a period and how this affects the enterprise, considering differences between predicted and actual cash flow</li> <li>• Cash flow problems – not having enough cash to pay employees and suppliers</li> </ul> | <p><b>Introductory activity:</b> The teacher explains that there can be two versions of a cash flow forecast: the budgeted and the actual. Students give suggestions about why the two might not match up.</p> <p><b>Main activities:</b></p> <ul style="list-style-type: none"> <li>• Students examine a range of small scenarios relating to different cash flow problems (negative cash flow) For example:<br/><i>LSM Ltd is a building materials wholesaler. LSM's customers are mainly trades people who provide building services for the public, such as renovations and house extensions. In order to compete with some of the larger building suppliers in the UK, LSM offers its customer 90 days' trade credit agreement for those that have an LSM account. This is attractive for many builders as their customers tend to pay in instalments throughout the project.</i></li> <li>• In small groups, students explain the key problems in each scenario – in this case, offering too much trade credit. They explain why this would create a cash flow problem.</li> </ul> <p><b>Plenary activity:</b> In small groups, students rank the scenarios, from biggest to smallest, based on the severity of the problem. Students should justify their choices.</p> | <p>A series of scenarios relating to cash flow problems that can be handed to students.</p> <p>A diamond 9 diagram can be used to rank items, but offers some flexibility. The internet offers a range of downloadable diamond 9 templates.</p> |
| 29 | <p>C3 Suggesting improvements to cash flow problems</p> <p>Impact of timings of inflows and outflows, and suggested solutions to problems:</p> <ul style="list-style-type: none"> <li>• increasing revenue</li> <li>• selling off unused assets</li> <li>• selling off inventory</li> </ul>                                                                                                         | <p><b>Introductory activity:</b> Students draw a diagram showing how an enterprise can speed up cash inflow and how it can slow down cash outflows.</p> <p><b>Main activities:</b></p> <ul style="list-style-type: none"> <li>• Students study a range of cash flow solutions on cards and match them to the scenarios introduced in the previous session, identifying the potential issues. For example, selling off assets may create a cash injection, but the enterprise no longer has the asset to use – e.g. a piece of equipment.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>Cash flow solutions, each written out on cards that can be handed to students.</p>                                                                                                                                                           |

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|    | <ul style="list-style-type: none"> <li>chasing debtors for monies owed</li> <li>cutting costs</li> <li>delaying payment to suppliers</li> <li>reducing credit period offered to customers</li> <li>cutting back or delaying expansion plans</li> </ul> | <ul style="list-style-type: none"> <li>The teacher adds financial values to each solution to allow students to adjust cash flow forecasts and anticipate the impact on the enterprise.</li> </ul> <p><b>Plenary activity:</b> Students rank the solutions they have discussed in the order they should be used by the owner of an enterprise. For example, managing debtors is a simple and obvious solution that all managers should use. However, selling assets is a far more drastic approach, as is taking out a loan to resolve cash flow problems. The teacher can refer to specific cash flow forecasts that have varying degrees of cash flow problems.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                          |
| 30 | <p>C4: Break-even analysis and break-even point</p> <ul style="list-style-type: none"> <li>The value and importance of break-even analysis to enterprises when planning</li> <li>Limitations of break-even analysis</li> </ul>                         | <p><b>Introductory activity:</b> The teacher recaps learning on revenue, costs and profit including the formulas used. Students then agree definitions for 'sales revenue', 'variable costs', 'fixed costs' and 'total costs'.</p> <p><b>Main activities:</b></p> <ul style="list-style-type: none"> <li>Students use simple calculations to identify the point at which two different businesses would make neither a loss nor a profit.</li> <li>The teacher introduces the concept of break-even and the break-even point formula.</li> <li>Students are given a range of questions that allow them to become familiar with calculating the break-even point.</li> <li>The teacher gradually adds complexity to the questions and provides students with at least one question about total variable costs.</li> <li>Using the calculations from the lesson, students discuss how the owners of an enterprise might use it. For example, if break-even is calculated as 200 units, what happens if only 220 units per day can be produced?</li> </ul> <p><b>Plenary activity:</b> Students recall, from memory, the formula for break-even point and explain what would happen if the break-even point rose.</p> |                                                                                                                                                                          |
| 31 | <p>C4: Break-even analysis and break-even point</p> <ul style="list-style-type: none"> <li>Construct and interpret a break-even chart and recognise its limitations</li> </ul>                                                                         | <p><b>Introductory activity:</b> The teacher introduces the concept of a break-even chart and demonstrates the links between the break-even calculation and the chart.</p> <p><b>Main activities:</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>Chart paper to construct a large break-even chart or a prepared PowerPoint presentation.</p> <p>A range of break-even charts for students to interpret, which can</p> |

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|    | <ul style="list-style-type: none"> <li>Costs: variable costs, fixed costs, total costs</li> <li>Sales: total revenue</li> <li>Margin of safety</li> <li>Break-even = <math>\text{fixed costs} \div (\text{selling price per unit} - \text{variable cost per unit})</math></li> <li>Break-even point</li> </ul>                                                                               | <ul style="list-style-type: none"> <li>The teacher constructs a break-even chart with the students. This can be done by plotting the chart on large graph or flipchart paper or showing a PowerPoint presentation that builds over time. Discuss each line (FC, TR and then TC). Check any misconceptions and ensure students understand why each line is displayed as it is.</li> <li>Once the chart is complete, the teacher asks questions that require students to interpret the chart. This should include identifying the profit or loss at key levels of output.</li> </ul> <p><b>Plenary activities:</b> The teacher presents students with three different break-even charts, representing three different enterprises. Students discuss and identify which is the best. This should be the enterprise with the lowest break-even point, but introducing margin of safety will lead to further discussion, e.g. a low break-even is not positive if the margin of safety is narrow.</p> | be produced from scratch or collected and printed out.                             |
| 32 | <p>C4: Break-even analysis and break-even point</p> <ul style="list-style-type: none"> <li>Construct and interpret a break-even chart and recognise its limitations</li> <li>Costs: variable costs, fixed costs, total costs</li> <li>Break even = <math>\text{fixed costs} \div (\text{selling price per unit} - \text{variable cost per unit})</math></li> <li>Break-even point</li> </ul> | <p><b>Introductory activity:</b> Students are shown a fully annotated break-even chart for ten seconds. Students then work independently to construct the chart from memory, and compare and check their charts. The teacher reintroduces the concept of break-even charts and what they show.</p> <p><b>Main activities:</b></p> <ul style="list-style-type: none"> <li>Students create a break-even chart for a scenario using A3 paper with the integers already marked and coloured string and pins.</li> <li>The teacher introduces a series of changes to the graph. This might include changes to FC or price. Students can then adjust their original chart to help them conceptualise how changing costs and revenue variables has an impact on the break-even point.</li> </ul> <p><b>Plenary activity:</b> Students prepare a short demonstration using the break-even chart, string and pins to explain how the break-even point can be lowered.</p>                                 | A range of break-even charts. A variety of examples can be found on Google Images. |
| 33 | <p>C4: Break-even analysis and break-even point</p> <ul style="list-style-type: none"> <li>Planning with break-even</li> </ul>                                                                                                                                                                                                                                                               | <p><b>Introductory activity:</b> Students identify the information that can be identified through break-even charts. Once a list has been created, students should explain why each point is important to the running of a business.</p> <p><b>Main activities:</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | A handout with the scenario on it could be useful.                                 |



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|  | <ul style="list-style-type: none"> <li>The value and importance of break-even analysis to enterprises when planning</li> </ul> | <p>Students carry out a break-even planning activity. This activity should involve calculating break-even, and using break-even to make important decisions.</p> <p><b>Scenario: The Motorway Flower Stall</b></p> <p><i>You have been approached with the following business offer.</i></p> <p><i>Jane, a businessperson, runs a flower stall in a lay-by off Junction 4 of the M42 motorway at Alvechurch. She uses a mobile caravan to sell them to passing travellers on a Saturday and Sunday.</i></p> <p><i>She wishes to retire but will retain ownership of the caravan and rent it out to people who want to take over the business.</i></p> <p><i>She is willing to rent the caravan (fitted out to display flowers) for £50 per day. She will deliver and collect the caravan at the end of each day as part of the price.</i></p> <p><i>She will also provide details of the supplier (Redditch Wholesale Flowers – RDS) where she purchases her flowers fresh daily.</i></p> <p><b>Additional information</b></p> <ul style="list-style-type: none"> <li><i>She currently buys flowers for £1 per bunch.</i></li> <li><i>She currently sells her flowers at £3 per bunch.</i></li> </ul> <p><i>You agree to take over the stall.</i></p> <p>You have two aims.</p> <ol style="list-style-type: none"> <li>To survive in the short term (i.e. to break even).</li> <li>To make a profit in the longer term.</li> </ol> <p>The teacher can set supplementary tasks and supplementary questions can be set based on this scenario. Example questions are shown below.</p> <ol style="list-style-type: none"> <li>Is there any more information you would like from Jane?</li> </ol> |  |
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|    |                                                                                                                                                                                    | <p>2. How do you decide how many bunches of flowers you buy at the start of each day from the supplier (RDS)? Remember they are perishable and any unsold bunches have to be thrown away at the end of the day.</p> <p>3. How will you know how much profit or loss you make each day?</p> <p><b>Plenary activity:</b> The teacher leads a Q&amp;A on the different elements of a break-even chart.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                            |
| 34 | <p>C4: Break-even analysis and break-even point</p> <p>Limitations of break-even analysis</p>                                                                                      | <p><b>Introductory activity:</b> In three groups, students receive one task each: list how an enterprise can increase prices but retain demand; explain how an enterprise can lower its variable costs; explain how an enterprise can lower its fixed costs. Students are given a limited time to answer their task, before being passed the next task. By the end of the introduction, each group should have completed all three tasks.</p> <p><b>Main activities:</b></p> <ul style="list-style-type: none"> <li>• The teacher provides students with a break-even scenario where the business sells three types/varieties of goods. In pairs or small groups, students discuss how they could carry out break-even analysis using this information. The most able students might be able to explain how averages, or even weighted averages, could be used.</li> <li>• The teacher adjusts the scenario, changing prices and costs at various levels – for example, at 500 units the business has to move to a larger warehouse or adopt additional machinery, increasing the overall fixed costs at this point.</li> <li>• Students discuss some of the limitations they have learned about break-even and how it can be applied practically to the real world.</li> </ul> <p><b>Plenary activity:</b> In pairs, students write four statements that relate to break-even analysis.</p> | <p>Examples of weighted break-even analysis can be found at Accounting Verse (<a href="http://www.accountingverse.com/managerial-accounting/cvp-analysis/multi-product-break-even.html">www.accountingverse.com/managerial-accounting/cvp-analysis/multi-product-break-even.html</a>).</p> |
| 35 | <p>C5: Sources of business finance</p> <p>Why enterprises may plan different sources of finance for different purposes or at different stages and the relevance of each source</p> | <p><b>Introductory activity:</b> The teacher produces a scenario whereby students have to raise money for a holiday or trip. Students then break down the options into internal and external sources.</p> <p><b>Main activities:</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                            |

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|                                    |                                                                                                                                                                                                                                    | <ul style="list-style-type: none"><li>The teacher provides definitions and details on each source and explores what students already know about these methods. Students can use a table like the one below to record their notes.</li></ul> <table><tr><td>Sources of finance</td><td></td><td></td></tr><tr><td>Key term meaning</td><td></td><td></td></tr><tr><td>Advantages of this source</td><td></td><td></td></tr><tr><td>Disadvantages of this source</td><td></td><td></td></tr><tr><td>Info needed to obtain this finance</td><td></td><td></td></tr></table> <ul style="list-style-type: none"><li>Working in pairs, students should randomly select one of the methods discussed and debate which of their sources is the best for three or four different scenarios. Students should understand that different sources of finance are appropriate to various business needs/situations.</li></ul> <p><b>Plenary activity:</b> Students work independently to identify the most low-cost source of finance, the most expensive source of finance and the riskiest source of finance, then give their answers with clear justifications.</p> | Sources of finance                                                                                |  |  | Key term meaning |  |  | Advantages of this source |  |  | Disadvantages of this source |  |  | Info needed to obtain this finance |  |  |  |
| Sources of finance                 |                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                   |  |  |                  |  |  |                           |  |  |                              |  |  |                                    |  |  |  |
| Key term meaning                   |                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                   |  |  |                  |  |  |                           |  |  |                              |  |  |                                    |  |  |  |
| Advantages of this source          |                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                   |  |  |                  |  |  |                           |  |  |                              |  |  |                                    |  |  |  |
| Disadvantages of this source       |                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                   |  |  |                  |  |  |                           |  |  |                              |  |  |                                    |  |  |  |
| Info needed to obtain this finance |                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                   |  |  |                  |  |  |                           |  |  |                              |  |  |                                    |  |  |  |
| 36                                 | <p>C5: Sources of business finance</p> <p>Using internal sources of finance:</p> <ul style="list-style-type: none"><li>owner funds</li><li>retained profits</li><li>advantages and disadvantages of each source</li><li></li></ul> | <p><b>Introductory activity:</b> The teacher writes down the following words: assets, collateral, product, risk. Students write a definition and try to include that word in a sentence. The class shares examples and agrees on definitions.</p> <p><b>Main activities:</b></p> <ul style="list-style-type: none"><li>Students investigate a business looking to expand or cover short-term costs. The value of the expansion or debt could be £10,000. The teacher provides a list of assets within the business, along with their second-hand/resale value. The business could also have a small amount of retained profit and additional capital available from the owner.</li><li>Students decide which assets they want to sell in order to raise the funds and whether additional funding from the owner would be</li></ul>                                                                                                                                                                                                                                                                                                                       | <p>Scenarios of business expansion.</p> <p>Scenarios of businesses covering short-term costs.</p> |  |  |                  |  |  |                           |  |  |                              |  |  |                                    |  |  |  |

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|    |                                                                                                                                                                                                                                           | <p>necessary. To complete the activity, students make trade-off decisions between losing the value of various assets.</p> <ul style="list-style-type: none"> <li>Students write a letter to the owner of the business providing them with advice on which option to take. This should also include an explanation on the value of personal funds and retained profit.</li> </ul> <p><b>Plenary activity:</b> Students discuss their decisions as a class and share their recommendations. The teacher reviews the importance of assets to a business and the benefits/risks of using owner funds and retained profit.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                       |
| 37 | <p>C5: Sources of business finance</p> <p>Short-term sources of external finance:</p> <ul style="list-style-type: none"> <li>credit cards</li> <li>trade credit</li> <li>advantages and disadvantages of each source</li> <li></li> </ul> | <p><b>Introductory activity:</b> The teacher introduces the concepts of short-term and long-term in relation to external sources of finance. Students first discuss what 'external' means, and then how long 'short-term' might mean and how long 'long-term' might mean.</p> <p><b>Main activities:</b></p> <ul style="list-style-type: none"> <li>Students complete a cash flow forecast for a business with liquidity issues. The cash flow forecast should demonstrate a negative cash flow position (negative closing balance). Students then analyse how three options could be used to improve the cash flow forecast. <ul style="list-style-type: none"> <li>Option 1: £1000 business credit card limit.</li> <li>Option 2: £500 overdraft facility.</li> <li>Option 3: 60-day delay paying creditors.</li> </ul> </li> <li>Students write a letter to the owners of the business, explaining their solutions and presenting them with an updated cash flow forecast based on the adjustments made.</li> </ul> <p><b>Plenary activity:</b> Students compare the external sources of short-term finance to internal sources of finance covered in the previous lesson. They compare the benefits and drawbacks of these methods and look at how they might be used differently depending on whether a business owner focuses on capital expenditure or revenue expenditure.</p> | <p>A sample cash flow forecast, which clearly shows liquidity issues, for students to complete the main activity.</p> |
| 38 | <p>C5: Sources of business finance</p> <p>Long-term sources of external finance:</p> <ul style="list-style-type: none"> <li>loans</li> </ul>                                                                                              | <p><b>Introductory activity:</b> Students recap the difference between short-term and long-term finance. They also consider, giving examples, the disadvantages of a long-term external source of finance to an enterprise.</p> <p><b>Main activities:</b></p> <ul style="list-style-type: none"> <li>Students consider this scenario:</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                       |

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|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  | <ul style="list-style-type: none"> <li>• government grants</li> <li>• venture capital</li> <li>• peer-to-peer lending</li> <li>• advantages and disadvantages of each source</li> </ul> | <p><i>Emily's family has just moved house. She noticed that the removal business that helped them to move house used all male employees. She is considering whether there is an opportunity for her and her friend, Isabella, to start up a local removal business. They could call the business Women on the Move and set up as a partnership. It is also possible that one of Isabella's relatives would lend the two friends some money to buy a suitable van.</i></p> <p><i>Emily and Isabella need to buy a suitable van for the business which is likely to cost about £10,000.</i></p> <p><i>They could either:</i></p> <ul style="list-style-type: none"> <li>• borrow £10,000 from one of Isabella's relatives or</li> <li>• see whether the local bank would give them a loan over five years.</li> </ul> <p><i>Emily is not sure that involving Isabella's family would be a good idea. Advise Emily and Isabella on which would be the better source of finance for them, giving at least one advantage and one disadvantage of each option.</i></p> <p><i>Students advise Emily and Isabella on which external source of finance would be best for them, and whether the loan from relatives should be short or long-term.</i></p> <ul style="list-style-type: none"> <li>• Students then choose one of the business scenarios below and prepare a short presentation explaining what options are open to the business for raising funds for its ventures. They should give at least two options that would work, explaining why.</li> </ul> <ol style="list-style-type: none"> <li>1. <i>A medium-sized plastics manufacturer looking to expand and buy a new updated production line.</i></li> <li>2. <i>A company that specialises in producing sports equipment and is considering diversifying into the sports clothing industry.</i></li> <li>3. <i>A sole trader plumber wishing to buy a new van.</i></li> <li>4. <i>A medium-sized manufacturer with cash flow problems trying to improve its working capital position.</i></li> <li>5. <i>Two friends wishing to set up a website selling football memorabilia on the internet.</i></li> </ol> |  |
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|---------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-------|-------------------------|-------|----------------------------------------------------|-------|-------------------------------------------------------------------|-------|-----------------------------------------------------|-------|---------------------------------|------|----------------|------|--------------------------------------------|-------|---------------------------------------------------------------------------|------|--------------------------|------|--------------|----------------|--|
|                                                                           |                                                 | <p>6. <i>A large company hoping to launch an expensive marketing campaign to promote a new product range.</i></p> <p>7. <i>A wealthy firm wishing to maintain the high level of growth that it has experienced over the past three years.</i></p> <p><b>Plenary activity:</b> The teacher calls out a long-term source of finance, and students respond with a definition. A list of agreed definitions is written on a board.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                  |       |                         |       |                                                    |       |                                                                   |       |                                                     |       |                                 |      |                |      |                                            |       |                                                                           |      |                          |      |              |                |  |
| 39                                                                        | Practice session<br>Planning sources of finance | <p><b>Introductory activity:</b> Students review and discuss the various start-up costs that the business below might have.</p> <table><tr><td>Premises<br/>(three months' rent)</td><td>£5500</td></tr><tr><td>Doughnut making machine</td><td>£2500</td></tr><tr><td>Equipment<br/>(mixing bowls, spatulas, tills, etc.)</td><td>£2500</td></tr><tr><td>Fixtures and fittings<br/>(shelving, display cabinets, decoration)</td><td>£3000</td></tr><tr><td>Advertising and signage<br/>(leaflets and shop sign)</td><td>£1200</td></tr><tr><td>Insurance<br/>(public liability)</td><td>£160</td></tr><tr><td>Business rates</td><td>£250</td></tr><tr><td>Wages<br/>(to cover the first three months)</td><td>£3000</td></tr><tr><td>Raw materials<br/>(doughnut mixture, packaging, chocolate sprinkles, etc.)</td><td>£900</td></tr><tr><td>Food hygiene certificate</td><td>£400</td></tr><tr><td><b>Total</b></td><td><b>£19,410</b></td></tr></table> | Premises<br>(three months' rent) | £5500 | Doughnut making machine | £2500 | Equipment<br>(mixing bowls, spatulas, tills, etc.) | £2500 | Fixtures and fittings<br>(shelving, display cabinets, decoration) | £3000 | Advertising and signage<br>(leaflets and shop sign) | £1200 | Insurance<br>(public liability) | £160 | Business rates | £250 | Wages<br>(to cover the first three months) | £3000 | Raw materials<br>(doughnut mixture, packaging, chocolate sprinkles, etc.) | £900 | Food hygiene certificate | £400 | <b>Total</b> | <b>£19,410</b> |  |
| Premises<br>(three months' rent)                                          | £5500                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                  |       |                         |       |                                                    |       |                                                                   |       |                                                     |       |                                 |      |                |      |                                            |       |                                                                           |      |                          |      |              |                |  |
| Doughnut making machine                                                   | £2500                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                  |       |                         |       |                                                    |       |                                                                   |       |                                                     |       |                                 |      |                |      |                                            |       |                                                                           |      |                          |      |              |                |  |
| Equipment<br>(mixing bowls, spatulas, tills, etc.)                        | £2500                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                  |       |                         |       |                                                    |       |                                                                   |       |                                                     |       |                                 |      |                |      |                                            |       |                                                                           |      |                          |      |              |                |  |
| Fixtures and fittings<br>(shelving, display cabinets, decoration)         | £3000                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                  |       |                         |       |                                                    |       |                                                                   |       |                                                     |       |                                 |      |                |      |                                            |       |                                                                           |      |                          |      |              |                |  |
| Advertising and signage<br>(leaflets and shop sign)                       | £1200                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                  |       |                         |       |                                                    |       |                                                                   |       |                                                     |       |                                 |      |                |      |                                            |       |                                                                           |      |                          |      |              |                |  |
| Insurance<br>(public liability)                                           | £160                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                  |       |                         |       |                                                    |       |                                                                   |       |                                                     |       |                                 |      |                |      |                                            |       |                                                                           |      |                          |      |              |                |  |
| Business rates                                                            | £250                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                  |       |                         |       |                                                    |       |                                                                   |       |                                                     |       |                                 |      |                |      |                                            |       |                                                                           |      |                          |      |              |                |  |
| Wages<br>(to cover the first three months)                                | £3000                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                  |       |                         |       |                                                    |       |                                                                   |       |                                                     |       |                                 |      |                |      |                                            |       |                                                                           |      |                          |      |              |                |  |
| Raw materials<br>(doughnut mixture, packaging, chocolate sprinkles, etc.) | £900                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                  |       |                         |       |                                                    |       |                                                                   |       |                                                     |       |                                 |      |                |      |                                            |       |                                                                           |      |                          |      |              |                |  |
| Food hygiene certificate                                                  | £400                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                  |       |                         |       |                                                    |       |                                                                   |       |                                                     |       |                                 |      |                |      |                                            |       |                                                                           |      |                          |      |              |                |  |
| <b>Total</b>                                                              | <b>£19,410</b>                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                  |       |                         |       |                                                    |       |                                                                   |       |                                                     |       |                                 |      |                |      |                                            |       |                                                                           |      |                          |      |              |                |  |

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|                                                            |                                                                                   | <p><b>Main activity:</b> In small groups, students select a way to meet these financial requirements from a range of sources, justifying their choices by explaining why each is appropriate to the relevant costs. The following sources of finance could be applied.</p> <table><tr><td>Bank loan repayment over five-year period £4000 (6.5% APR)</td><td>Personal savings £5000</td></tr><tr><td>Start-up grant £1000</td><td>Lease of equipment to the value of £2500</td></tr><tr><td>Personal savings £3500</td><td>Venture capital £9000 – repayment option within five years and 15% of all profits</td></tr><tr><td>Bank overdraft £2000</td><td>Gift from older sister £500</td></tr><tr><td>Retained profit from a previous business venture £1500</td><td>Trade credit to the value of £2000 repayable within 90 days</td></tr><tr><td>Bank loan repayment over 10-year period £10,000 (3.9% APR)</td><td>Sale of your car £6000</td></tr></table> <p><b>Plenary activity:</b> During feedback, students may have chosen different options to meet the various costs. This will provide an opportunity for a teacher-led discussion on which sources are the most appropriate.</p> | Bank loan repayment over five-year period £4000 (6.5% APR) | Personal savings £5000 | Start-up grant £1000 | Lease of equipment to the value of £2500 | Personal savings £3500 | Venture capital £9000 – repayment option within five years and 15% of all profits | Bank overdraft £2000 | Gift from older sister £500 | Retained profit from a previous business venture £1500 | Trade credit to the value of £2000 repayable within 90 days | Bank loan repayment over 10-year period £10,000 (3.9% APR) | Sale of your car £6000 |  |
| Bank loan repayment over five-year period £4000 (6.5% APR) | Personal savings £5000                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                            |                        |                      |                                          |                        |                                                                                   |                      |                             |                                                        |                                                             |                                                            |                        |  |
| Start-up grant £1000                                       | Lease of equipment to the value of £2500                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                            |                        |                      |                                          |                        |                                                                                   |                      |                             |                                                        |                                                             |                                                            |                        |  |
| Personal savings £3500                                     | Venture capital £9000 – repayment option within five years and 15% of all profits |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                            |                        |                      |                                          |                        |                                                                                   |                      |                             |                                                        |                                                             |                                                            |                        |  |
| Bank overdraft £2000                                       | Gift from older sister £500                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                            |                        |                      |                                          |                        |                                                                                   |                      |                             |                                                        |                                                             |                                                            |                        |  |
| Retained profit from a previous business venture £1500     | Trade credit to the value of £2000 repayable within 90 days                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                            |                        |                      |                                          |                        |                                                                                   |                      |                             |                                                        |                                                             |                                                            |                        |  |
| Bank loan repayment over 10-year period £10,000 (3.9% APR) | Sale of your car £6000                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                            |                        |                      |                                          |                        |                                                                                   |                      |                             |                                                        |                                                             |                                                            |                        |  |
| 40                                                         | Learning aim C: assessment practice<br>Assessment                                 | <p><b>Introductory activity:</b> The teacher explains how the assessment works, including timescales and requirements for the assessment material.</p> <p><b>Main activity:</b> Students use what they have learned throughout the component to carry out a case study scenario and complete a number of tasks to demonstrate their knowledge.</p> <p><b>Plenary activity:</b> The teacher leads a check on understanding of key terminology. In pairs, students review their answers to the tasks. This can happen before or after their work has been marked.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Assignment details.<br>Research materials.                 |                        |                      |                                          |                        |                                                                                   |                      |                             |                                                        |                                                             |                                                            |                        |  |



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| 41–44 | Revision project | <p>To prepare for the external assessment students should complete a comprehensive project over a number of lessons. They will apply the knowledge and practice the skills covered in Component 3.</p> <p>Students choose a small business scenario in an appropriate market that they can research via the internet or using real local examples.</p> <p>The teacher provides start-up costs, fixed costs and projected sales figures. Students complete an extended project to produce the following, for one business that they choose.</p> <ul style="list-style-type: none"> <li>• A financial plan outlining the sources of finance the business should use at start-up and for ongoing trading. A nominal start-up cost could be provided as the basis for this; e.g. £20,000.</li> <li>• A comprehensive promotion plan for the opening of the business.</li> <li>• A series of financial documents for a series of business transactions.</li> <li>• A profile of the target market.</li> <li>• A financial overview containing average prices, variable costs per unit, total fixed costs, projected sales figures for one month, profit projections for one month.</li> <li>• A cash flow forecast for a six month trading period (partial information required).</li> <li>• A break-even chart for one month's trading.</li> <li>• Projected financial statement (partially complete), statement of comprehensive income and statement of financial position.</li> </ul> <p>This project could be presented as a short business plan. Additional aspects could be brought in from Component 1, such as market research, to expand the scope of the project.</p> | <p>Selection of business scenarios, from the internet and from local areas.</p> <p>Suggested start-up costs, fixed costs and projected sales figures for each different scenario.</p> <p>The Sample Assessment Materials for Component 3: Promotion and Finance for Enterprise may also be useful here:<br/> <a href="https://qualifications.pearson.com/en/qualifications/btec-tech-awards/enterprise/coursematerials.html-filterQuery=category:Pearson-UK:Category%2FSpecification-and-sample-assessments">https://qualifications.pearson.com/en/qualifications/btec-tech-awards/enterprise/coursematerials.html-filterQuery=category:Pearson-UK:Category%2FSpecification-and-sample-assessments</a>.</p> |
| 45    | Revision lesson  | <p><b>Introductory activity:</b> Students construct mind maps or revision checklists, making value judgements on the three most valuable aspects of the lessons that need recapping.</p> <p><b>Main activities:</b></p> <ul style="list-style-type: none"> <li>• The teacher provides a summary of every topic covered in Component 3. This might be a checklist or some sort of visual organiser.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>Students could use the RAG (red, amber, green) system for categorising revision.</p> <p>A summary of each topic covered in Component 3. This can be obtained from the course planner which can be found at <a href="https://qualifications.pearson.com">https://qualifications.pearson.com</a></p>                                                                                                                                                                                                                                                                                                                                                                                                       |

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|       |                                        | <ul style="list-style-type: none"> <li>Students work in mixed-ability groups to discuss the scheme of learning and identify the three topics they would like to review as a priority.</li> </ul> <p><b>Plenary activity:</b> The teacher covers any additional topics in a Q&amp;A session. (The plenary activity may need to be longer than usual.)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <a href="https://www.pearson.com/en/qualifications/btec-tech-awards/enterprise/coursematerials.html?filterQuery=Pearson-UK:Category%2FTeaching-and-learning-materials">m/en/qualifications/btec-tech-awards/enterprise.coursematerials.html - filterQuery=Pearson-UK:Category%2FTeaching-and-learning-materials).</a>                                                                                                                                                                                                                                                                                                   |
| 46–47 | Component 3: Final assessment practice | <p><b>Introductory activity:</b> The teacher explains that students will complete a full practice assessment paper under controlled conditions. The practice assessment can be split into two one-hour tasks, covering two lessons. Students should only be given the part of the mock exam that will need to be completed within each lesson.</p> <p><b>Calculators are allowed, so students should remember to check their calculators are fully charged and working.</b></p> <p><b>Main activity:</b> Students complete an allocated part of a practice assessment.</p> <p><b>Plenary activity:</b> When the practice assessment is complete (end of lesson 47), the teacher may choose to have a brief session for students to discuss how they found the assessment – particularly any difficulties they may have had, which can then be addressed.</p> | <p>Writing paper and graph paper for each student.</p> <p>Copies of the financial tables/charts and graphs from the practice assessment for students to complete and annotate.</p> <p>The sample assessment materials<br/>(<a href="https://www.pearson.com/en/qualifications/btec-tech-awards/enterprise/coursematerials.html#filterQuery=category:Pearson-UK:Category%2FSpecification-and-sample-assessments">https://www.pearson.com/en/qualifications/btec-tech-awards/enterprise.coursematerials.html#filterQuery=category:Pearson-UK:Category%2FSpecification-and-sample-assessments</a>) may be useful here.</p> |
| 48    | Practice assessment feedback session   | <p>The main focus of this lesson is for the teacher to provide feedback on one or two questions from each student on their practice assessment, and for students to discuss their approach to the practice assessment tasks.</p> <p>Students could each prepare and share a short sound bite with the class, explaining their approach and answer to a specific task from the assessment and how they could improve it.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>A media sharing website such as Voicethread (<a href="http://www.voicethread.com">www.voicethread.com</a>) can be used to record sound bites.</p> <p>Alternatively, an app such as Educreations could be downloaded and used.</p>                                                                                                                                                                                                                                                                                                                                                                                    |

## Resources

In addition to the resources listed below, publishers are likely to produce Pearson-endorsed textbooks that support this qualification. Check the Pearson website (<http://qualifications.pearson.com/endorsed-resources>) for more information as titles achieve endorsement.

### Websites

<http://accounting-simplified.com/financial/statements/statement-of-financial-position.html> *Accounting-Simplified* – gives examples of financial accounts, highlighting that they can be presented in different formats.

[www.accountingverse.com/managerial-accounting/cvp-analysis/multi-product-break-even.html](http://www.accountingverse.com/managerial-accounting/cvp-analysis/multi-product-break-even.html) *Accounting Verse* – gives examples of weighted break-even analyses.

[www.adage.com/lp/top15/-intro](http://www.adage.com/lp/top15/-intro) *Ad Age* – Top Ad Campaigns of the 21<sup>st</sup> Century.

<http://public-files.prbb.org/intervals/docs/16760815-Business-Planning.pdf> *British Columbia* – a PDF guide to business planning that explores the types of costs an enterprise is likely to pay.

[www.abetterlemonadestand.com/how-to-start-an-online-tshirt-business-24-hour-guide-challenge/](http://www.abetterlemonadestand.com/how-to-start-an-online-tshirt-business-24-hour-guide-challenge/) *Better Lemonade Stand* – a case study exploring how to start a small business – in this case, T-shirt printing (note: prices appear in dollars).

[www.b2bmarketing.net/en-gb/b2b-directory](http://www.b2bmarketing.net/en-gb/b2b-directory) *B2B Marketing's B2B Directory* – provides background information on a range of national/international B2B companies.

[www.bplans.com/sample\\_business\\_plans.php](http://www.bplans.com/sample_business_plans.php) *Bplan* – provides examples of business plans that show how financial information can be presented.

[www.brandwatch.com/blog/best-marketing-campaigns-2016/](http://www.brandwatch.com/blog/best-marketing-campaigns-2016/) *Brandwatch* – shows examples of marketing campaigns from 2016.

[www.campaignlive.co.uk](http://www.campaignlive.co.uk) *Campaign* magazine – may provide useful background information on current marketing, advertising and media trends.

[www.diffen.com/difference/Credit\\_Card\\_vs\\_Debit\\_Card](http://www.diffen.com/difference/Credit_Card_vs_Debit_Card) *Diffen* – a useful website that offers a comparison between debit and credit cards.

[www.forbes.com/pictures/mlm45jemm/1-nike/#19ebd6d7314e](http://www.forbes.com/pictures/mlm45jemm/1-nike/#19ebd6d7314e) *Forbes* – a financial organisation providing a range of information, including details on the world's most valuable sports brands.

<https://blog.hubspot.com/blog/tabid/6307/bid/32763/the-10-greatest-marketing-campaigns-of-all-time.aspx> *HubSpot* – provides examples of advertising and marketing campaigns that have been successful.

[www.theipm.org.uk](http://www.theipm.org.uk) *The IPM* – the UK trade body for the promotions industry, which may provide useful background information.

[www.marksandspencer.com/c/style-and-living](http://www.marksandspencer.com/c/style-and-living) *M&S Style and Living* – an example of an online customer magazine.

[www.myaccountingcourse.com/financial-statements/statement-of-financial-position](http://www.myaccountingcourse.com/financial-statements/statement-of-financial-position) *My Accounting Course* – gives examples of financial accounts, highlighting that they can be presented in different formats.

[www.pha-media.com/insights/crisis-reputation-management/top-ten-worst-reputation-management-disasters](http://www.pha-media.com/insights/crisis-reputation-management/top-ten-worst-reputation-management-disasters) *PHA Media* – examples of negative/bad PR (teachers should select appropriate examples).

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[www.prexamples.com/2016/12/2016-in-review-top-20-pr-campaigns-and-stunts-of-the-year/](http://www.prexamples.com/2016/12/2016-in-review-top-20-pr-campaigns-and-stunts-of-the-year/) *PR Examples* – examples of positive/good PR (teachers should monitor for suitability).

<https://qualifications.pearson.com/en/qualifications/btec-tech-awards/enterprise.coursematerials.html#filterQuery=category:Pearson-UK:Category%2FSpecific+and+sample+assessments> Pearson – Sample Assessment Materials for Component 3 of this course.

[https://qualifications.pearson.com/en/qualifications/btec-tech-awards/enterprise.coursematerials.html - filterQuery=Pearson-UK:Category%2FTeaching-and-learning-materials](https://qualifications.pearson.com/en/qualifications/btec-tech-awards/enterprise.coursematerials.html?filterQuery=Pearson-UK:Category%2FTeaching-and-learning-materials) *Pearson* – a summary of each topic covered in Component 3 of this course.

[www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/bulletins/profitabilityofukcompanies/julytosept2016](http://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/bulletins/profitabilityofukcompanies/julytosept2016) The Office of National Statistics – produces data on the profitability of UK businesses.

[www.planprojections.com/calculators/start-up-costs/](http://www.planprojections.com/calculators/start-up-costs/) *Plan Projections* – a template that can be downloaded to aid start-up cost calculations.

[www.prezly.com/press-release-examples](http://www.prezly.com/press-release-examples) *Prezly* – gives examples of press releases on its website for inspiration.

[www.segmentationstudyguide.com](http://www.segmentationstudyguide.com) *Segmentation Study Guide* – gives a variety of examples of market segmentation in different industries.

[www.statista.com/statistics/313005/leading-brands-of-sports-clothing-in-the-uk/](http://www.statista.com/statistics/313005/leading-brands-of-sports-clothing-in-the-uk/) Statista – a statistics portal giving details on sports clothing brands.

[www.thetasteofspain.com/blog/differences-between-the-north-and-south-of-spain/](http://www.thetasteofspain.com/blog/differences-between-the-north-and-south-of-spain/) *Taste of Spain* – a useful case study website for a segmentation exercise.

[www.theukcardsassociation.org.uk/cards-transactions/card-types.asp](http://www.theukcardsassociation.org.uk/cards-transactions/card-types.asp) *The UK Cards Association* – a useful website that explores the difference between debit and credit cards.

[www.ventureradar.com/keyword/B2C](http://www.ventureradar.com/keyword/B2C) *VentureRadar* – provides a range of national/international B2C companies.

[www.voicethread.com](http://www.voicethread.com) Voicethread – a media sharing website that allows sound bites to be recorded and played back.

## Videos

<http://www.youtube.com/watch?v=uymfERV5ttY> *The Networker* – short example of a good and bad elevator pitch.

[www.youtube.com/watch?time\\_continue=16&v=z3G8r48wnpo](http://www.youtube.com/watch?time_continue=16&v=z3G8r48wnpo) *The Macquarie Group* – a short video introducing cash flow.

[www.youtube.com/watch?v=LbLcXZ-rSQ0](http://www.youtube.com/watch?v=LbLcXZ-rSQ0) *Propel Nonprofits* – a video explaining the concept of cash flow statements/forecasts.

[www.youtube.com/watch?v=dLHZy4DWKRM](https://www.youtube.com/watch?v=dLHZy4DWKRM) Tutor2u – a video explaining the concept of cash flow statements/forecasts.

[www.youtube.com/watch?v=hG0ZXD89Bq0](http://www.youtube.com/watch?v=hG0ZXD89Bq0) *Top 50: UK TV Adverts* – provides a range of classic TV advertisements.