

Unit 1.3 Putting an idea into practice

Subject content	What you need to learn	RAG	WWW	EBI
1.3.1 Business aims and objectives	<p>What business aims and business objectives are. Business aims and objectives when starting up:</p> <ul style="list-style-type: none"> • financial aims and objectives: survival, profit, sales, market share, financial security • non-financial aims and objectives: social objectives, personal satisfaction, challenge, independence and control. <p>Why aims and objectives differ between businesses.</p>			
1.3.2 Business revenues, costs and profits PART1	<p>The concept and calculation of:</p> <ul style="list-style-type: none"> • revenue • fixed and variable costs • total costs • profit and loss 			
1.3.2 Business revenues, costs and profits PART 2	<ul style="list-style-type: none"> • break even level of output • margin of safety. Interpretation of break even diagrams: • the impact of changes in revenue and costs • break even level of output • margin of safety 			
1.3.3 Cash and cash-flow	<p>The importance of cash to a business:</p> <ul style="list-style-type: none"> • to pay suppliers, overheads and employees • to prevent business failure (insolvency) • the difference between cash and profit. Calculation and interpretation of cash-flow forecasts: • cash inflows • cash outflows • net cash flow • opening and closing balances. 			
1.3.4 Sources of business finance	<p>Sources of finance for a start-up or established small business:</p> <ul style="list-style-type: none"> • short-term sources: overdraft and trade credit • long-term sources: personal savings, venture capital, share capital, loans, retained profit and crowd funding 			
Test Score	What progress have I made? How do I know this		WWW, EBI:	