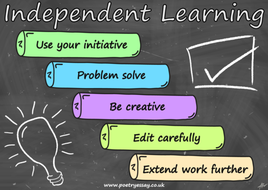
**Own Learning questions**

**Unit 3 – Business decisions**

These questions are designed for you to complete in your Study Periods. The aim is for you to consolidate your learning and identify any knowledge gaps. The outcome is a complete set of revision notes.

You can use the following resources to help you:

* Tutor2U website (google the topic area and Tutor2u as the site is difficult to navigate around!)
* Tutor2u Youtube channel
* Your class notes
* The Cambridge Technicals Level 3 Business Book

When you have completed each section of Own Learning Questions, why don’t you print them out and file them in the appropriate section of your folder? We’ll be checking them!

An electronic copy of these questions is on XXXXXXXXX

**LO1 – Understand factors to be taken into account when making business decisions**

1. Describe the difference between strategic and tactical decisions.
2. Define the term “opportunity costs”.
3. Define the term “business ethics”.
4. Explain two reasons why it is important to take business ethics into consideration when making business deicisions.
5. Explain the benefits and drawbacks of using quantititative and qualitative data in decision making.
6. Explain how a business benefits from communicating with internal and external stakeholders before, during and after decisions are made.
7. Explain the different factors which will influence the quality of decision making.

**LO2 Be able to use financial data to inform business decisions**

1. Explain what the following ratios meaure:

* Gross profit ratio
* Net profit ratio

1. Explain the meaning of the following terms:

* Margin of safety
* Unit contribution
* Special order decisions

1. Analyse different ways an ice cream manufacturer could lower its break-even point.
2. Analyse how a small business like a builder could benefit from cash flow management.
3. Create a table to describe and analyse the three different methods of investment appraisal

|  |  |  |  |
| --- | --- | --- | --- |
|  | Description | Advantages | Disadvantages |
| Payback |  |  |  |
| Average rate of return |  |  |  |
| Net present value |  |  |  |

**LO3 Understand how human resources information informs business decisions**

1. Define the following tersm:

* Induction
* On-the-job training
* Off-the-job traning
* Skills audit

1. Explan two reasons why workforce training is important to a business.
2. Explain two reasons why a skills audit is important to a business.
3. Define the following terms:

* Absenteeism
* Labour turnover
* Labour productivity
* Wastage level

1. Explain two ways in which workforce performance data could be used to judge a business’s performance.
2. Identify and explain three different causes of poor workforce performance
3. Evaluate possible solutions for improving workforce performance within a call centre.

**LO4 Understand how marketing information informs business decisions**

1. Discuss the usefulness of Time Series Analysis to a business such as Tesco.
2. Analyse the strengths and weaknesses of each of the following tools for making marketing decisions:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Description | Advantages | Disadvantages |
| Boston Matrix |  |  |  |
| Porter’s Five Force model |  |  |  |
| Porter’s Generic Competitive Strategies |  |  |  |

1. What might be the external and internal constraints on a small company that designs and sells greetings cards featuring pictures of the local area?

**LO5 Be able to use resource, project and change management information to inform business decisions**

1. Explain how a business could use the following for managing inventory:

* Stock control charts
* Electronic point of sale data
* Radio-frequency identification.

1. Explain how each of the following could be used to manage a project:

* Gantt charts
* Project plan
* Risk register

1. In the context of critical path analysis, define the following terms:

* EST
* LFT
* Float

1. Discuss (pros and con) the usefulness of Critical Path Analysis to a building/construction firm.
2. Identify and explain the internal and external causes of change that could be faced by a business importing clothes from abroad.
3. Identify and explain three possible resistors to change
4. Evaluate (make a judgement and justify it) the usefulness of contingency planning for a business that is about to move it’s headquarters overseas.

**LO6 Be able to use information to make and justify business decisions**

1. What is an internal organisational audit, and what should it include?
2. What is an external environmental audit, and what should it include?
3. Evaluate the usefulness of a SWOT analysis in helping businesses make decisions.
4. Define the following terms:

* Horizontal integration
* Vertical integration