



**Business Studies Scheme of Learning**

**Unit 6 Finance**

**Intent – Rationale**

We aim to create the very best Business students, who engage with the world around them and are equipped with the knowledge needed to develop their entrepreneurial, commercial and employability skills and identify business problems and opportunities. We want students to be able to think analytically, reach logical conclusions based on their effective interpretation of data, and make judgements strategic and tactical business decisions. Cultural capital is embedded throughout the curriculum. Our students are constantly introduced to a wide variety of viewpoints from some of the most entrepreneurs throughout history. We investigate the impact that their work has had on the world we live in and students are encouraged to make links between their studies and real life examples



| Sequencing – what prior learning does this topic build upon?   | Sequencing – what subsequent learning does this topic feed into?  |
|--|---|
| <ul style="list-style-type: none"> <li>• Units costs</li> <li>• Functional areas</li> <li>• External influences on a business</li> <li>• Basic calculations</li> <li>• Production</li> <li>• Procurement</li> <li>• Human Resources</li> <li>• Marketing</li> </ul>  | <ul style="list-style-type: none"> <li>• Y11 terms 4 &amp; 5 – revision of topic and associated key skills</li> </ul>   |
| What are the links with other subjects in the curriculum?  | What are the links to SMSC, British Values and Careers?   |
| <ul style="list-style-type: none"> <li>• Mathematics – calculating the following:                             <ul style="list-style-type: none"> <li>○ Addition and subtraction of data in financial statements</li> <li>○ Percentage changes when comparing data on financial statements</li> <li>○ Average rate of return</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Understanding of the rule of law when completing financial statements (BV2)</li> <li>• Problem solving when completing calculations (GB4e)</li> <li>• Learning about careers in accountancy when studying financial statements (GB2)</li> <li>• Experience of workplace when studying financial statements (GB2)</li> <li>• A willingness to reflect on experience when mistakes are made in this topic (SP4)</li> <li>• An ability to recognise the difference between right and wrong when completing accounts (M1)</li> </ul> |
| What are the opportunities for developing literacy skills and developing learner confidence and enjoyment in reading?  | What are the opportunities for developing mathematical skills?  |
| <ul style="list-style-type: none"> <li>• Communication – development of structured arguments to support clear judgements in longer mark questions</li> <li>• Comparison – ability to compare and weight the strength of opposing arguments</li> </ul>  | <ul style="list-style-type: none"> <li>• Calculation of breakeven, profit margins, ARR, cashflow</li> <li>• Percentage change calculations to measure changes in financial performance</li> <li>• Graph and data interpretation</li> </ul>  |



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**Intent – Concepts**

| What knowledge will students gain and what skills will they develop as a consequence of this topic?   |   |
|---|---|
| <p><b><u>Know</u></b></p> <ul style="list-style-type: none"> <li>Be able to display both <u>knowledge</u> and <u>understanding</u> of key concepts from Influences on Business Unit of specification. To include <b>Sources of finance: internal and external sources</b> <b>Cash flow: Interpretation and improvements, difference between cash and profit</b> <b>Financial terms: basic terms, ARR</b> <b>Analysing financial performance: income statements, statement of financial performance, ratios</b></li> </ul> <p><b><u>Apply</u></b></p> <ul style="list-style-type: none"> <li><u>Application</u> of business concepts identified in context to a variety of given businesses, including unincorporated businesses, incorporated businesses, public sector business and not for profit organisations. Development of a coherent <u>chain of reasoning</u> that can explain both the concept and the rationale supporting its application to a given business. Interdependence between the functional areas is clearly established</li> </ul> <p><b><u>Extend</u></b></p> <ul style="list-style-type: none"> <li>All should be able to confidently <u>evaluating</u> their argument and provide a weighted judgement, based upon the arguments already developed</li> </ul>   |   |
| What subject specific language will be used and developed in this topic?  | What opportunities are available for assessing the progress of students?  |
| <ul style="list-style-type: none"> <li><b>Internal source of finance</b> - finance from inside the firm</li> <li><b>External finance</b> – finance from individuals and organisations outside the business</li> <li><b>Collateral</b>– assets used to guarantee the repayment of a firm’s borrowing</li> <li><b>Trade credit</b> - a period of time in which suppliers allow customers before payment is made</li> <li><b>Mortgage</b> – a method of borrowing used to purchase property</li> <li><b>Overdraft</b> – borrowing from a bank drawn from a current account so balance is less than zero</li> <li><b>Cash flow</b> – the flow of income in and out of a business</li> <li><b>Cash flow forecast</b> – a financial planning tool that estimates the money coming in and out of a business on a monthly basis</li> <li><b>Revenue</b> - price per unit multiplied by units sold</li> <li><b>Total costs</b> - total fixed costs plus total variable costs</li> <li><b>Profit</b> – sales revenue – total costs</li> <li><b>Average rate of return</b> – a comparison between the average yearly profit and the cost of investment</li> <li><b>Break even</b> – the level of output where revenue is equal to total costs</li> <li><b>Margin of safety</b> – the difference between the breakeven output and the actual output</li> <li><b>Income statement</b> – a financial statement showing a business profit or loss</li> <li><b>Statement of financial position</b> – a document that sets out the assets and liabilities of a business at a particular point in time</li> <li><b>Asset</b> - something the business owns</li> <li><b>Liability</b> – something the business owes</li> <li><b>Gross profit margin</b> – the percentage of revenue kept as gross profit</li> <li><b>Net profit margin</b> – the percentage of revenue kept as net profit</li> </ul> | <ul style="list-style-type: none"> <li>Weekly homework – assessed in line with exam board assessment criteria</li> <li>Verbal feedback</li> <li>Test 7: – Knowledge and core threads of application, analysis and evaluation</li> </ul> |



## Intent – Concepts

| Lesson title                                   | Learning challenge   | Higher level challenge   | Suggested activities and resources  |
|--|--|--|---|
| Sources of finance                             | Can I identify the main internal and external sources of finance             | Can explain the main factors that influence the choice of finance for a given business?                            | End of chapter questions<br>Multiple choice questions<br>Past paper questions |
| Cashflow                                       | Can I explain what is happening in a cash flow forecast and offer solutions? | Can I explain the difference between cash and profit?  | End of chapter questions<br>Multiple choice questions<br>Past paper questions |
| Financial terms and calculations               | Can I calculate the basic financial terms?                                   | Can I interpret the data on a breakeven chart and calculate average rate of return for a given investment project? | End of chapter questions<br>Multiple choice questions<br>Past paper questions |
| Analysing the financial position of a business | Can I explain the importance of financial statements for a business?         | Can I make a judgement about how well a business is doing by comparing data?                                       | End of chapter questions<br>Multiple choice questions<br>Past paper questions |