









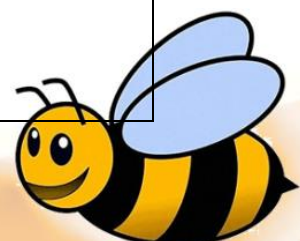
BTEC Business Frist Award Unit 2

Topic A.1 Understand the costs involved in business

			
Define Start Up Costs			
Identify Start Up Costs			
Define Operating Costs			
Identify Operating Costs			
Define Fixed Costs			
Define Variable Costs			
Define Total Costs			
Define Indirect Costs			
Define Direct Costs			
Provide Examples of Fixed and Variable Costs			
Know the Formula for Calculating Total Costs			

Topic A.2 Understand how businesses make a profit




			
Know How Businesses Generate Revenue			
Identify Sources of Revenue			
Know the Formula to Calculate Revenue			
Describe How Expenditure Can Help Business Success			
Identify Different Types of Expenditure			
Understand the Difference between Expenditure and Overheads			





Define the term Profit			
Understand How Profit & Loss are Calculated			
Know the Formula to Calculate Profit			




Topic B.1 Understand how businesses plan for success

			
Define Break Even			
Interpret Break Even Point from a Break Even Chart.			
Interpret Profit from a Break Even Chart.			
Interpret Loss from a Break Even Chart.			
Interpret Variable Costs from a Break Even Chart.			
Interpret Fixed Costs from a Break Even Chart.			
Interpret Total Revenue from a Break Even Chart.			
Interpret Total Costs from a Break Even Chart.			
Interpret Margin of Safety from a Break Even Chart.			
Calculate Break Even Using the Formula			
Analyse the Importance of Break Even Analysis to a Business			
Analyse the Risks of Not Completing Break Even Analysis			
Produce a Break Even Chart			
Analyse the Effect on Break Even of Changing Fixed and Variable Costs.			






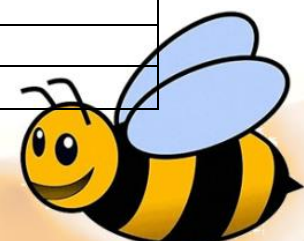


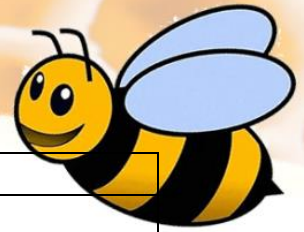
Topic B.2 Understand the tools businesses use to plan for success

			
Explain the Purpose of Budgeting			
Explain the Purpose of an Expenditure Budget			
Explain the Purpose of an Revenue Budget			
Explain the Difference Between Budgeting and Budgetary Control			
Define the Term Cash Flow Forecast			
Identify Different Types of Cash Inflows and Outflows for a Business			
Explain the Purpose of a Cash Flow Forecast			
Comment on the Impacts that timing of Inflows and Outflows of Cash Flow have on a Business			
Understand the Benefits that Cash Flow Forecasting Provide a Business			
Complete a Cash Flow Forecast			
Analyse an Organisations Finances Based on Cash Flow Position			
Make Decisions on How Cash Flow Position Could be Improved			

Topic C.1 Understand how businesses measure success




			
Define Cost of Sales			
Define Gross Profit			
Know the Formula for Calculating			





Gross Profit			
Explain the Impact of a Positive and Negative Gross Profit			
Define Net Profit			
Know the Formula for Calculating Net Profit			
Explain the Impact of a Positive and Negative Net Profit			
Understand Financial Statements (Income Statement, Statement of Financial Position)			
Identify the Purpose of Income Statement			
Complete an Income Statement			
Identify the Purpose of Statement of Financial Position			
Understand the Format of a Statement of Financial Position			
Categorise Total Assets and Liabilities			
Understand How a Business is funded and how it is using these funds from The Statement of Financial Position			
Complete a Statement of Financial Position			
Define and Understand the Term Working Capital			

Topic C.2 Understand how businesses can be more successful

			
Identify Ways in Which a Business Can Increase Profits			
Analyse Financial Statements for a Small Business			
Suggest Appropriate actions to Improve Business Success			

