A dynamic business adapts to:
- the changing needs of customers
- developments in the market.

Business failure can be because of:
- entrepreneurs not knowing their market well
- entrepreneurs not having enough money to start a business
- poor decision making by entrepreneurs
- competition or goods/services not meeting the needs of customers.

A good is a physical product that can be touched, e.g. a pair of jeans.
A service is non-physical, e.g. a piano lesson.

Customer needs include:
- price
- quality
- choice
- convenience
- service.

Market research is the process of collecting information about:
- what consumers want
- market trends
- competitors.
Markets are segmented by:
- location
- demographics
- lifestyle
- income
- age.

Market mapping is used to identify where a product will be placed in a market compared to other similar products in the same market.

Businesses compete with each other using:
- price
- quality
- location
- product range
- customer service.

Specific
Measurable
Achievable
Realistic
Timely

Break even is the level of output where total revenues are equal to total costs; this is where neither a profit or loss is made, i.e. how many units need to be sold to cover all costs but not yet make a profit.
What is cash-flow?

Cash-flow is the flow of cash in and out of a business.

Name two types of short-term finance.

Short-term finance can be:
• an overdraft facility
• trade credit.

Define limited liability.

With limited liability:
• there is a legal difference between the business owner and the business
• if the business incurs debts, the debts belong to the business; owners only lose the money they have invested in the business.

What factors influence business location?

Business location can be influenced by:
• the type of business
• the market
• labour
• materials
• competitors.

What is the marketing mix?

The marketing mix is a combination of the following factors:
• price
• product
• promotion
• place.
A business plan should contain information about: the business idea; the business’s aims and objectives; the target market; forecast revenue, costs and profits; cash-flow forecast; sources of finance; location; the marketing mix.

Internal stakeholders are:
- the owners
- the managers
- the employees.

E-commerce is the activity of buying and selling goods and services online.

The Consumer Rights Act states the right to a refund if the goods or services are not:
- of a satisfactory quality
- fit for purpose
- as described.

GDP stands for: Gross Domestic Product.
What is inflation and is it good for business?

Inflation means a rise in prices. Inflation is bad for business because it increases costs and reduces profits.

Define economy of scale.

Economy of scale is the cost advantage gained by expanding the level of production.

In business, what are aims and objectives?

Aims are the long-term goals of a business. Objectives are the short-term steps a business takes to realise its long-term goals.

What is globalisation?

Globalisation is when organisations and businesses trade internationally.

How does a business act in an ethical way?

A business can be ethical by paying a fair wage to its workers and by ensuring that its production does not harm the environment, animals or people.
What three elements make up the design mix?

The design mix is made up of:
- function
- aesthetics (appearance)
- cost.

Name two influences on pricing strategies.

Pricing strategies can be influenced by:
- technology
- competition
- market segments
- product life cycle.

What is viral advertising?

Viral advertising relies on consumers to promote or advertise a good or service via email or social media.

What is the distribution channel?

The distribution channel is the route that a product takes from where it is manufactured to where it is sold.

Define competitive advantage.

Competitive advantage is an advantage held by a business that allows it to perform better than its competitors, e.g. by using new technology, by making innovative products, or by using effective promotion.
Disadvantages of *batch production* include:
- workers become demotivated due to performing the same tasks over and over
- a delay in one batch can affect the production of another batch.

The $x$-axis on a *bar gate stock graph* shows time in weeks. The $y$-axis on a *bar gate stock graph* shows the unit of stock.

With *quality control*, finished products are inspected to see if they meet minimum standards. *Quality assurance* is incorporated into the production process and is checked at every stage by workers.

*Customer engagement* is concerned with the experiences of customers with a business or brand and the connection that is built through nurturing and managing this relationship.

*Sales revenue* is also known as:
- income
- revenue
- turnover.
Quantitative business data is numerical and statistical data.

Organisational structure can be:
  - hierarchial (also known as tall), which has lots of levels of authority
  - flat, which has few levels of authority.

Internal recruitment is when a business appoints someone to a job who already works for the business.

External recruitment is when a business appoints someone to a job from outside the business.

Training can include:
  - formal training
  - informal training
  - self-learning
  - observation.

The following methods can be used to motivate staff:
  - financial rewards, e.g. bonuses
  - fringe benefits, e.g. free gym membership
  - promotion
  - praise
  - job enrichment
  - job rotation
  - autonomy.

What type of data is quantitative business data?

Define the two types of organisational structure.

What is the difference between internal recruitment and external recruitment?

Name two types of training.

Name three different ways to motivate staff.