

Topic 3.1.5 Business Location

Key Terms:

Market
Labour
Raw materials
Competition



The nature of a business will influence what they prioritise when choosing their location. A business that provides a service is likely to locate itself near its market whereas a business in the secondary sector is more likely to locate itself near transport links or raw materials.

Topic 3.1.6 Business Planning

Key Terms:

Business plan	Investors	Cash flow forecast
Aims & objectives	Finance	Profit & loss forecast
Target market	Marketing Mix	Revenue
Profit	Costs	Fixed costs
Variable costs	Gross profit	Net Profit

"Hmmm what is a business plan?"



"It is a report by a new or existing business that contains all of its research findings and explains why the firm hopes to succeed."



Sections in a Business Plan:

- Business idea
- Aims & objectives
- Target market
- Marketing Mix
- Location
- Finance

Why do a Business Plan?

Aims: Outlines intentions & helps to monitor progress.
Banks: A business plan helps to secure finance from banks through the form of loans.
Customer focus: Helps the entrepreneur to focus on the market
Decide on Size of the business: Identifies resources needed to start / expand the business.

Revenue	= Quantity sold x selling price
Total Costs	= Fixed costs + variable costs
Total variable costs	= sales x variable cost per unit
Profit	= revenue – total costs
Gross Profit	= Revenue – cost of sales
Net Profit	= Gross profit - Overheads

Topic 3.1.5 Business Location

TASK 1:

Define the key terms

Market

Raw materials

Labour

Competition

TASK 2:

Choose three different businesses that you know. Write down three factors that you think would have been important to them when they decided where to locate. Make sure you include your reasons too.

TASK 3:

Consider a business who has located abroad:

- 1) Make a list of reasons as to why they would have chosen this country – you may have to conduct some research into this country!
- 2) Make a list of drawbacks of this country as a location for the business.

Topic 3.1.6 Business Planning

TASK 1:

Define the key terms

Business plan

Investors

Cash flow forecast

Aims & objectives

Finance

Profit & loss forecast

Target market

Marketing Mix

Revenue

Profit

Costs

Fixed costs

Variable costs

Gross profit

Net Profit

TASK 2:

Revise the formulas for revenue, costs and profits