

Subject	Year	Term
Business	Year 12	Spring 2
Topic		
3.1.5 Decision Making to improve financial performance		
Content (Intent)		
Prior Learning – This is a standalone unit that looks at the basic financial principles		
Students of this course study business in a variety of contexts and consider the importance of the context of business in relation to decision making. The topics covered are:		
Setting Financial Objectives	Objectives to include return on investment and an understanding of the proportion of debt in long term funding	
	The distinction between cash flow and profit	
	The distinction between gross, operating and profit for the year	
	Revenue, costs and profit objectives	
	Cash flow objectives	
	Objectives for investment (capital expenditure) levels	
	Capital structure objectives	
	Internal & External influences on financial objectives and decisions	
Analysing financial performance	How to construct cash flows and budgets	
	Analysing budgets including variance analysis	
	Analysing cash flow forecasts	
	How to construct break-even charts (includes margin of safety and contribution)	
	How to calculate & illustrate changing variables on break-even	
	How to analyse profitability (gross profit, operating and margins)	
	How to analyse timings of cash flow (includes an understanding of payables & receivables)	
	The use of data for financial decision making and planning	
Sources of Finance	Understand internal & external sources of finance	
	Debt factoring, overdrafts, retained profits, share capital, loans & venture capital	
	How to analyse advantages & disadvantages of these sources of finance	
Improving Cash Flow and Profits	Methods of improving Cash Flow	
	Methods of improving profits and profitability	
	Difficulties of improving cash flow and profits	
Future Learning – This unit sets up the basic skills required for unit 3.1.7 and the ability to assess the strategic position of a business.		
How will knowledge and skills be taught? (Implementation)	How will your understanding be assessed & recorded (Impact)	
This topic will involve links to the four assessment objectives throughout and will include, but not be limited to: <ul style="list-style-type: none"> - Teacher led lesson content - Using & Assessing financial reports - Group discussion/debates and questioning - Using business terminology - Reference to business examples throughout 	<ul style="list-style-type: none"> - End of topic assessment - Past Paper responses and essays. Marked and feedback given. - Verbal responses. Individual and class feedback given. - Key term tests 	
How can parents help at home?		

- Discussing ideas and content at home & linking it to real businesses that they know
- Watch the news and/or read a good quality newspaper
- Watch any topical films or documentaries that link to Business e.g. Panorama, dispatches etc.

Support us with our department's high expectations of spelling, grammar, punctuation, and minimum standards.

Helpful further reading/discussion

Reading	Subject Key Terms	Careers Links
<ul style="list-style-type: none"> - My revision notes: AQA A Level Business - Business Review magazines (subscribe online) - TUTOR2U website - BBC Business news 	<ul style="list-style-type: none"> - Profit Margins - Budgets - Debt Factoring - Overdraft - Break Even - Margin of Safety 	<ul style="list-style-type: none"> - Finance Analysts - Finance Management - Financial Controllers