

Year 13 Topics – BTEC Nationals Business

In year 13 we teach the following topics over the course of the year. Each topic develops and deepens the Core knowledge that will underpin all areas of the curriculum at KS4 and KS5.

Unit 3 – Personal & Business Finance

Learning Aim A - Understand the importance of managing personal finance				
Topic	Rationale	Knowledge acquisition	Key vocabulary	Skills and enrichment
A1 Functions and role of money	Students need to understand that the ability to handle money received, and to control money paid, is a fundamental requirement for personal and business success.	Functions of money: <ul style="list-style-type: none"> • unit of account • means of exchange • store of value • legal tender 	<ul style="list-style-type: none"> • unit of account • means of exchange • store of value • legal tender 	<ul style="list-style-type: none"> • independence • problem solving • reading • effective writing • oracy • literacy • IT • research • numeracy • communication • working collaboratively
		Role of money is affected and influenced by a number of factors: <ul style="list-style-type: none"> • personal attitudes towards risk and reward, borrowing, spending and saving • life stages (childhood, adolescence, young adult, middle age, old age), key features of each stage, financial needs and implications at each stage • culture, including religious and ethical beliefs • life events can vary the personal life cycle from individual to individual • external influences/trends and the financial-related effects • interest rates, cost of borrowing versus reward of saving 	<ul style="list-style-type: none"> • risk • reward • life stages • interest rates • external influences • financial commitment • culture 	

		<p>Planning expenditure, common principles to be considered in planning personal finances:</p> <ul style="list-style-type: none"> • to avoid getting into debt • to control costs • avoid legal action and/or repossession • remain solvent • maintain a good credit rating • avoid bankruptcy • to manage money to fund purchases • generate income and savings • set financial targets and goals • provide insurance against loss or illness • counter the effects of inflation 	<ul style="list-style-type: none"> • expenditure • debt • solvent • credit rating • bankruptcy • income • savings • insurance • inflation • loan repayment 	
A2 Different ways to pay	Students need to understand the use of money as a payment method, the advantages and disadvantages.	<p>Payment methods, advantages and disadvantages of:</p> <ul style="list-style-type: none"> • cash • debit card • credit card • cheque • electronic transfer • direct debit • standing order • pre-paid cards • contactless cards • charge cards • store cards • mobile banking • Banker's Automated Clearing Services (BACS) • Faster Payments Service (FPS) • Clearing House Automated Payment System (CHAPS) 	<ul style="list-style-type: none"> • cash • debit card • credit card • cheque • electronic transfer • direct debit • standing order • pre-paid cards • contactless cards • charge cards • store cards • mobile banking • banker's automated clearing services (BACS) • faster payments service (FPS) • clearing house automated payment system (CHAPS) 	<ul style="list-style-type: none"> • independence • problem solving • reading • effective writing • oracy • literacy • IT • research • numeracy • communication • working collaboratively • analysis • evaluation

A3 Current accounts	<p>Students need to understand the different types of current accounts, their advantages and disadvantages.</p>	<p>Different types, features, advantages and disadvantages, different services offered:</p> <ul style="list-style-type: none"> • standard • packaged • premium • basic student 	<ul style="list-style-type: none"> • current account • standard • packaged • premium • basic student 	<ul style="list-style-type: none"> • independence • problem solving • reading • effective writing • oracy • literacy • IT • research • numeracy • communication • working collaboratively • analysis • evaluation
A4 Managing personal finance	<p>Students need to understand how to manage their personal finances.</p> <p>They need to know the different types of borrowing, savings and investments and their advantages and disadvantages.</p> <p>They also need to understand the risks and rewards associated with personal finance options.</p>	<p>Suitability of different financial products and services against individual needs.</p> <p>Different types of borrowing, features, advantages and disadvantages:</p> <ul style="list-style-type: none"> • overdraft • personal loans • hire purchase • mortgages • credit cards • payday loans <p>Different types of saving and investment features, advantages and disadvantages:</p> <ul style="list-style-type: none"> • individual savings accounts (ISAs) • deposit and savings accounts • premium bonds • bonds and gilts • shares • pensions <p>Risks and rewards of saving versus investment</p>	<p></p> <ul style="list-style-type: none"> • overdraft • personal loans • hire purchase • mortgages • credit cards • payday loans <ul style="list-style-type: none"> • individual savings accounts (ISAs) • deposit and savings accounts • premium bonds • bonds and gilts • shares • pensions • protected savings • rate of return • risk <ul style="list-style-type: none"> • saving • investment 	<ul style="list-style-type: none"> • independence • problem solving • reading • effective writing • oracy • literacy • IT • Research • Numeracy • communication • working collaboratively • analysis • evaluation

			<ul style="list-style-type: none"> • risk • reward 	
		<p>Different insurance products:</p> <ul style="list-style-type: none"> • products (car, home and contents, life assurance and insurance, travel, pet, health) • different types of insurance policy for each product • features of different types of insurance • advantages and disadvantages of different types and features 	<ul style="list-style-type: none"> • car insurance • life insurance • life assurance • pet insurance • home and contents insurance • travel insurance • health insurance • no claims • third party • fully comprehensive • collateral • premium • investment • pay out • pre-existing 	

Learning Aim B - Explore the personal finance sector				
Topic	Rationale	Knowledge acquisition	Key vocabulary	Skills and enrichment
B Explore the personal finance sector	Students need to understand the types of organisations and their advantages and disadvantages.	<ul style="list-style-type: none"> • Bank of England • banks • building societies • credit unions • National Savings and investments • insurance companies • pension companies • pawnbrokers • payday loans 	<ul style="list-style-type: none"> • Bank of England • interest rates • legal tender • regulator • monetary policy • building society • members • financial services • bank • mortgage • shareholder • credit union • co-operative • not for profit 	<ul style="list-style-type: none"> • independence • problem solving • reading • effective writing • oracy • literacy • IT • Research • Numeracy • communication • working collaboratively • analysis • evaluation

			<ul style="list-style-type: none"> • National Savings & Investment • insurance companies • policies • premium bonds • ISAs • pension companies • retirement • projected income • pawnbrokers • asset • payday loans • credit history 	
B2 Communicating with customers	Students need to understand the methods of interacting with customers, the advantages and disadvantages.	<p>Communication methods:</p> <ul style="list-style-type: none"> • branch • online banking • telephone banking • mobile banking • postal banking 	<ul style="list-style-type: none"> • online banking • telephone banking • mobile banking • postal banking 	
B3 Consumer protection in relation to personal finance	Students need to understand the function, role and responsibilities, advantages and disadvantages of consumer protection providers.	<p>Consumer protection providers:</p> <ul style="list-style-type: none"> • Financial Conduct Authority (FCA) • Financial Ombudsmen Service (FOS) • Financial Services Compensation Scheme (FSCS) • Legislation – Consumer Credit 	<ul style="list-style-type: none"> • Financial Conduct Authority (FCA) • Financial Ombudsmen Service (FOS) • Financial Services Compensation Scheme (FSCS) • Consumer Credit Act • Office of Fair Trading (OFT) 	
B4 Information guidance and advice	Students need to understand the function, role and responsibilities, advantages and disadvantages Information and guidance providers	<p>Information and guidance providers</p> <ul style="list-style-type: none"> • Citizens Advice • Independent financial advisors (IFA) • price comparison websites • debt counsellors • Individual Voluntary Arrangements (IVAs) • bankruptcy 	<ul style="list-style-type: none"> • Citizens Advice • Independent financial advisors (IFA) • commission • price comparison websites • debt counsellors • Individual Voluntary Arrangements (IVAs) • bankruptcy 	

Learning Aim C - Understand the purpose of accounting				
Topic	Rationale	Knowledge acquisition	Key vocabulary	Skills and enrichment
C1 Purpose of accounting	Students need to understand the purposes of accounting	<ul style="list-style-type: none"> recording transactions management of business (planning, monitoring and controlling) compliance (preventing fraud, compliance with law and regulations) measuring performance control (assisting with the prevention of fraud, trade receivables and trade payables) 	<ul style="list-style-type: none"> transactions compliance regulation control performance planning monitoring trade receivable trade payable fraud internal accounting 	<ul style="list-style-type: none"> independence problem solving reading effective writing oracy literacy IT Research Numeracy communication working collaboratively analysis evaluation
C2 Types of income	Students need to understand the types of income and the difference between them.	Capital income: <ul style="list-style-type: none"> loan mortgages shares owner's capital debentures 	<ul style="list-style-type: none"> Capital income loan mortgages shares owner's capital debentures 	
		Revenue income: <ul style="list-style-type: none"> cash sales credit sales rent received commission received interest received discount received 	<ul style="list-style-type: none"> revenue income cash sales credit sales rent received commission received interest received discount received 	
C3 Types of expenditure	Students need to understand the types of expenditure and the difference between them.	Capital expenditure: <ul style="list-style-type: none"> non-current assets (tangible assets) - land, buildings and premises, machinery and equipment, vehicles, fixtures and fittings intangible assets - goodwill, patents, trademarks, brand names 	<ul style="list-style-type: none"> capital expenditure non-current assets tangible assets intangible assets goodwill patents trademarks brand names 	
		Revenue expenditure: <ul style="list-style-type: none"> inventory 	<ul style="list-style-type: none"> revenue expenditure inventory 	

		<ul style="list-style-type: none"> • rent • rates • heating and lighting • water • insurance • administration • telephone • postage • stationery • salaries • wages • marketing • bank charges • interest paid • straight-line depreciation • reducing balance depreciation • discounts allowed 	<ul style="list-style-type: none"> • rent & rates • salaries • wages • utility bills • bank charges • interest paid • straight-line depreciation • reducing balance depreciation • discount allowed 	
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Learning Aim D - Select and evaluate different sources of business finance				
Topic	Rationale	Knowledge acquisition	Key vocabulary	Skills and enrichment
D1 Sources of finance	Students need to understand the sources of finance available to business, internal, external, advantages, disadvantages, short term and long term.	Internal sources: <ul style="list-style-type: none"> • retained profit • net current assets • sale of assets 	<ul style="list-style-type: none"> • internal • external • retained profit • net current assets • profit • sales revenue • total costs • current assets • current liabilities • sale of assets 	<ul style="list-style-type: none"> • independence • problem solving • reading • effective writing • oracy • literacy • IT • Research • Numeracy • communication • working collaboratively • analysis • evaluation
		External sources: <ul style="list-style-type: none"> • owner's capital • loans • crowd-funding • mortgages • venture capital • debt factoring 	<ul style="list-style-type: none"> • owner's capital • loans • crowd-funding • mortgages • venture capital • debt factoring • hire purchase 	

		<ul style="list-style-type: none"> • hire purchase • leasing • trade credit • grants • donations • peer to peer lending • invoice discounting 	<ul style="list-style-type: none"> • leasing • trade credit • grants • donations • peer to peer lending • invoice discounting 	
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Learning Aim E - Break-even and cash flow forecasts				
Topic	Rationale	Knowledge acquisition	Key vocabulary	Skills and enrichment
E1 Cash flow forecasts	Students need to understand the difference between inflows and outflows. They need to be able to construct a cash flow forecast, and explain its uses, benefits and limitations.	Inflows/receipts: <ul style="list-style-type: none"> • cash sales • credit sales • loans • capital introduced • sale of assets • bank interest received. 	<ul style="list-style-type: none"> • inflows • receipts • cash sales • credit sales • loans • capital introduced • sale of assets • bank interest received 	<ul style="list-style-type: none"> • independence • problem solving • reading • effective writing • oracy • literacy • IT • Research • Numeracy • communication • working collaboratively • analysis • evaluation • critical thinking
		Outflows/payments: <ul style="list-style-type: none"> • cash purchases • credit purchases • rent • rates • salaries • wages • utilities • purchase of assets • Value Added Tax (VAT) • bank interest paid 	<ul style="list-style-type: none"> • outflows • payments • cash purchases • credit purchases • rent • rates • wages & salaries • utilities • purchase of assets • Value Added Tax (VAT) • bank interest paid 	
		Prepare, complete, analyse, revise and evaluate cash flow.	<ul style="list-style-type: none"> • opening bank balance • total receipts 	
		Use of cash flow forecasts for planning, monitoring, control, target setting.	<ul style="list-style-type: none"> • total payments • net cash flows 	

		Benefits and limitations of cash flow forecasts.	<ul style="list-style-type: none"> • closing bank balance • creditors • debtors • overdraft • debt factoring • suppliers • sale and lease back • cash & profit 	
E2 Break-even analysis	<p>Students need to understand the difference between costs and revenue.</p> <p>They need to be able calculate breakeven, construct a breakeven chart and explain its uses, benefits and limitations.</p>	<p>Costs:</p> <ul style="list-style-type: none"> • variable • semi-variable • fixed • total costs 	<ul style="list-style-type: none"> • variable costs • semi-variable costs • fixed costs • total costs 	<ul style="list-style-type: none"> • independence • problem solving • reading • effective writing • oracy • literacy • IT • Research • Numeracy • communication • working collaboratively • analysis • evaluation • critical thinking
		<p>Sales:</p> <ul style="list-style-type: none"> • total revenue • total sales • selling price per unit • sales in value and/or units 	<ul style="list-style-type: none"> • total revenue • total sales • selling price per unit • sales value • sales volume 	
		<p>Breakeven:</p> <ul style="list-style-type: none"> • calculation using/manipulating, break-even formula (units and/or sales value) • completion of break-even chart, break-even point • Identification of area of profit, area of loss • Identify and calculate margin of safety (units and value) • Calculation of total contribution, contribution per unit benefits and limitations 	<ul style="list-style-type: none"> • total revenue • total costs • fixed costs • breakeven units • breakeven-revenue • breakeven point • profit • loss • margin of safety • total contribution • contribution per unit 	

		<ul style="list-style-type: none"> • Use of break-even for planning, monitoring, control, target setting • Prepare, complete, analyse, revise and evaluate break-even. 		
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Learning Aim F - Complete statements of comprehensive income and financial position and evaluate a business's performance				
Topic	Rationale	Knowledge acquisition	Key vocabulary	Skills and enrichment
F1 Statement of comprehensive income	Students need to understand the purpose, use, benefits and limitations of the Statement of comprehensive income	Purpose and use Completion, calculation of gross profit, profit/loss for the year Adjustments for depreciation Adjustments for prepayments, accruals Interpretation, analysis and evaluation of statements	<ul style="list-style-type: none"> • gross profit • revenue • opening inventories • purchases • closing inventories • cost of goods sold • profit/loss for the year • expenses • other income • adjustments • straight-line & reducing balance depreciation • prepayments • accruals 	<ul style="list-style-type: none"> • independence • problem solving • reading • effective writing • oracy • literacy • IT • Research • Numeracy • communication • working collaboratively • analysis • evaluation • critical thinking
F2 Statement of financial position	Students need to understand the purpose, use, benefits and limitations of the Statement of financial position	Purpose and use, completion, calculation and amendment of statement using vertical presentation to include: <ul style="list-style-type: none"> • non-current assets (tangible and intangible, cost, depreciation and amortisation, • net book value) • current assets (inventories, trade receivables, prepayments, bank, cash) • current liabilities (bank overdraft, accruals, trade payables) • net current assets/liabilities • non-current liabilities (bank loan and mortgage) 	<ul style="list-style-type: none"> • non-current assets • tangible assets • intangible assets • cost • depreciation • net book value • current assets • inventories • trade receivables • prepayments • bank • cash • current liabilities • bank overdraft • accruals 	

		<ul style="list-style-type: none"> • net assets • capital (opening capital, transfer of profit or loss, drawings, closing capital). • Adjustments for straight line depreciation, reducing balance (cost – depreciation to date x%). • Adjustments for prepayments, accruals. • Interpretation, analysis, and evaluation of statements. 	<ul style="list-style-type: none"> • trade payables • net current assets/liabilities • non-current liabilities • bank loan • mortgage • net assets • capital • opening capital • transfer of profit or loss • drawing • closing capital 	
F3 Measuring profitability	Students need to be able to calculate, interpret, analyse and evaluate profitability ratios.	<p>Calculation, interpretation, analysis and evaluation of:</p> <ul style="list-style-type: none"> • gross profit margin • mark-up • profit margin • return on capital employed (ROCE) 	<ul style="list-style-type: none"> • ratios • gross profit margin • mark-up • profit margin • return on capital employed 	<ul style="list-style-type: none"> • independence • problem solving • reading • effective writing • oracy • literacy • IT • Research • Numeracy • communication • working collaboratively • analysis • evaluation • critical thinking
F4 Measuring liquidity	Students need to be able to calculate, interpret, analyse and evaluate liquidity ratios.	<p>Calculation, interpretation, analysis and evaluation of:</p> <ul style="list-style-type: none"> • current ratio: current assets/current liabilities • liquid capital ratio: (current assets – inventory)/current liabilities 	<ul style="list-style-type: none"> • current ratio • current assets • current liabilities • liquid capital ratio • inventory 	
F5 Measuring efficiency	Students need to be able to calculate, interpret, analyse and evaluate efficiency ratios.	<p>Calculation, interpretation, analysis and evaluation of:</p> <ul style="list-style-type: none"> • trade receivable days: (trade receivable/credit sales) × 365 • trade payable days: (trade payables/credit purchases) × 365 • inventory turnover: (average inventory/cost of sales) × 365 	<ul style="list-style-type: none"> • trade receivable days • trade payable days • inventory turnover 	
F6 Limitations of ratios	Students need to understand the limitations of ratios	Limitations of ratios when assessing business performance.		

