

# MASTERING Structured Writing in Business Studies

Covering:

- Nature of Business
- Business Management
- Business Planning

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# Topic 1: Nature of Business

## ROLE OF BUSINESS

- the nature of a business
  - producing goods and services
  - profit, employment, incomes, choice, innovation, entrepreneurship and risk, wealth and quality of life

## TYPES OF BUSINESSES

- classification of business
  - size – small to medium enterprises (SMEs), large
  - local, national, global
  - industry – primary, secondary, tertiary, quaternary, quinary
  - legal structure – sole trader, partnership, private company, public company, government enterprise
- factors influencing choice of legal structure
  - size, ownership, finance

## INFLUENCES IN THE BUSINESS ENVIRONMENT

- external influences – economic, financial, geographic, social, legal, political, institutional, technological, competitive situation, markets
- internal influences – products, location, resources, management and business culture
- stakeholders

## BUSINESS GROWTH AND DECLINE

- stages of the business life cycle
  - establishment
  - growth
  - maturity
  - post-maturity
- responding to challenges at each stage of the business life cycle
- factors that can contribute to business decline
- voluntary and involuntary cessation – liquidation

**ROLE OF BUSINESS**

- the nature of a business
  - producing goods and services

1. Outline the role of businesses in producing goods and services.

<b>Item A</b>	<b>Definition:</b> ..... .....
<b>Item B</b>	<b>Sketch in general terms:</b> ..... .....

**ROLE OF BUSINESS**

- the nature of a business
  - profit, employment, incomes, choice, innovation, entrepreneurship and risk, wealth and quality of life

2. Define the term *profit maximisation*.

<b>Item A</b>	<b>States meaning of:</b> ..... .....
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**TYPES OF BUSINESSES**

- classification of business
  - industry – primary, secondary, tertiary, quaternary, quinary

**13.** Distinguish between the primary and secondary industry. Use examples to support your answer.

<b>Item A</b>	<b>Definition 1:</b>  .....  .....
<b>Item B</b>	<b>Definition 2:</b>  .....  .....
<b>Item C</b>	<b>Differences with Examples:</b>  .....  .....
<b>Item E</b>	<b>Link:</b>  .....  .....

**14.** Describe the role of businesses that operate within the quinary industry.

<b>Item A</b>	<b>Definition:</b>  .....  .....
<b>Item B</b>	<b>Provides characteristics and features:</b>  .....  .....  .....  .....

### MANAGEMENT PROCESS

- human resources
  - training

**44.** Assess the use of training to improve staff motivation.

<b>Item A</b>	<b>Definition:</b> ..... .....
<b>Item B</b>	<b>Description:</b> ..... ..... .....
<b>Item C</b>	<b>Advantage/s:</b> ..... ..... .....
<b>Item D</b>	<b>Disadvantage/s:</b> ..... ..... .....
<b>Item E</b>	<b>Judgement:</b> ..... .....

# Answers

## Topic 1: Nature of Business

### ROLE OF BUSINESS

- the nature of a business
  - producing goods and services

1. Outline the role of businesses in producing goods and services.

<b>Item A</b>	<b>Definition:</b> Goods refer to tangible physical products that can be seen or touched. Whereas, services are intangible and cannot be physically stored.
<b>Item B</b>	<b>Sketch in general terms:</b> Businesses play a key role in our society to deliver goods and services which improve the overall quality of life for consumers.

### ROLE OF BUSINESS

- the nature of a business
  - profit, employment, incomes, choice, innovation, entrepreneurship and risk, wealth and quality of life

2. Define the term 'profit maximisation'.

<b>Item A</b>	<b>States meaning of:</b> Profit maximisation refers to increasing sales revenue and minimising expenses.
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### ROLE OF BUSINESS

- the nature of a business
  - profit, employment, incomes, choice, innovation, entrepreneurship and risk, wealth and quality of life

3. Discuss the role of businesses as a contributor to the total employment within the Australian economy.

<b>Item A</b>	<b>Definition:</b> Businesses employ millions of workers in Australia. Employment refers to the process of paying a worker to carry out business activities.
<b>Item B</b>	<b>Advantage/s:</b> One of the main roles of businesses is to contribute to the total employment in Australia. This role has the benefit of reducing the overall unemployment rate within Australia's economy.
<b>Item C</b>	<b>Disadvantage/s:</b> However, one disadvantage related to being an employer relates to the increasing wage costs associated with employing staff in Australia. Wage expenses make up a significant portion of a business's total expenses.
<b>Item D</b>	<b>Link:</b> In essence, businesses play a significant role in contributing to the total employment within the Australian economy.