

College Taster Pack
**Business Study
Programme Level 3**



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Welcome

We are delighted that you will be joining The Oxfordshire Business & Enterprise School (affectionately known as TOBES). Please complete this pre-learning pack to help prepare you for your Business course.

The Business Study Programme is part of our award winning Futures courses. This course includes a combination of exam based modules and assignment based modules, and some elements of these are included in this pack to get you started. The course specific modules will be explained to you when you start college in September.

Our business experts teach industry-trending practical skills that build up your entrepreneurial acumen, provide real networking opportunities and connect you with work experience placements. Our Study Programmes include a mix of traditional teaching, employer engagement and social action projects with a high level of community engagement.

We will be working together with you to help develop these top 10 skills alongside achieving your qualification.

Top 10 skills

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- Critical thinking
- Creativity
- Decision-making
- Emotional intelligence
- Negotiation
- Problem solving
- Resilience
- Switch between complex tasks
- Teamwork
- Virtual collaboration



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Tasks

Challenge 1: New technology



Watch this You Tube video on retail technology (skip the ads)
<https://www.youtube.com/watch?v=iRvaWHk3A8k>

Consider what new technology you have encountered when you have been shopping and what impact this has had on your experience. Think about what the advantages and disadvantages are for the business and for the customer with the introduction of the type of technologies presented in the video.

Create a video, PowerPoint or other online presentation that will capture your thoughts.



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Challenge 2: Calculating gross and net profit

Costs are how much a business has to pay out in order to make goods and/or provide services.

Costs are important for a business because they:

- can be a huge drain on profits
- are the difference between a good and a poor profit margin
- are the main cause of cash flow problems in business
- vary as the output or activity of the business changes

Fixed and Variable Costs

You need to understand the difference between variable and fixed costs.

Variable costs

Variable costs are costs which change as output (number of items manufactured or sales/ services) varies.

Examples:

- Raw materials
- Bought-in stocks
- Wages based on hours worked or amount produced
- Marketing costs based on sales (e.g. % commission)

Fixed costs

Fixed costs do not change in relation to output. They do change - but not because of output changing.

Examples:

- Rent & rates
- Salaries
- Advertising
- Insurance, banking & legal fees
- Software Research and development

Calculating total costs

Use this formula to calculate the total costs of a business:

Total costs (TC) = Fixed costs (FC) + Variable costs (VC)



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A simple example of how total costs can be calculated using the following data:

Saphire Baking Events (forecasts for June)	
Variable costs per workshop	£25
Commercial kitchen rent and rates	£120
Wages	£600
Advertising	£50
Other fixed costs	£50
Planned events for month	10

What would Saphire Baking Events' costs be in June if forecasts prove correct?

Stage 1: calculate variable costs: = $£25 \times 10 = £250$

Stage 2: add together the fixed costs = £920 (i.e. $£120 + £600 + £150 + £50$)

Stage 3: add variable to fixed costs: total costs are £1170 ($£250 + £920$)



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Use the data below to work out costs for July when Saphire Baking Events are working 12 festivals and require more staff and consumables:

Saphire Baking Events (forecasts for July)	
Variable costs per workshop	£40
Commercial kitchen rent and rates	£120
Wages	£1000
Advertising	£50
Other fixed costs	£50
Planned events for month	12

Create a document to show your workings for to calculate these costs and also your reflections on the question below.

Most costs incurred by a business are often relatively easy to estimate. You know how much is likely to be paid in salaries or what price your supplier is charging you for products and services.

However, this is not always the case – some costs are uncertain. What costs might be changeable for Saphire Baking Events who run workshops for 10 clients at a time to learn to bake artisan breads?



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