

**OCR
GCSE
(9-1)**

FOURTH EDITION

BUSINESS

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ANSWER GUIDE

DIGITAL DOWNLOAD

1 Business activity, marketing and people

1.1 The role of business enterprise and entrepreneurship

Activity 1: Research activity, page 4

Use the internet to research the backgrounds of four famous entrepreneurs. You could use entrepreneurs from *Dragons Den*, or possibly Richard Branson or Walt Disney, or any other local entrepreneur your teacher may know of.

What made them successful? Do they have anything in common which made them succeed where others have failed? Write a short report on your findings and present the results to your group, possibly using PowerPoint.

- ⇒ Students could look at any entrepreneur. It would be beneficial if they could investigate a nationally known figure and a more local example to illustrate the similarities in character – e.g. energy, drive, determination, persuasive etc.

Activity 2: Research activity, page 4

How enterprising are the students in your business studies group? Use the information in 'Characteristics of an entrepreneur' (page 3 of the textbook) to complete the table started below. Put a tick if you think they have that enterprising feature. A cross means they do not have it!

Compare your results with the rest of the class. Do you have any potential entrepreneurs?

Name	Risk taker	Has determination	Has confidence	Is creative

- ⇒ The idea here is to reinforce the characteristics of an entrepreneur with a study of the class group. Discussion could be taken further by the class considering which is the most important characteristic and debating who would make the best entrepreneur.

Activity 3: Explanation activity, page 6

Use the information on benefits and drawbacks of risk taking to examine your own attitude to risk taking. If you are a risk taker, what attracts you to taking risks? If you are not a risk taker, what is it that puts you off taking a risk in an enterprise? Write up your thoughts in a suitable chart. Compare your results with others.

This activity will help develop an understanding of risk taking in an individual. Points to consider might include:

- ⇒ The cash incentive – making or losing money.
- ⇒ Being own boss – or is this too much pressure?
- ⇒ The time put into running a business – or is this all worthwhile if it's your business?
- ⇒ Comparisons will bring out how different people see the same situation. Further development could come from looking at which feature of risk taking is the most important.

Practice questions

Multiple choice

- 1 Businesses exist to
 - a) provide quality goods only to rich, young people
 - b) sell goods to older people
 - c) **meet the needs of customers**
 - d) research what customers need.
- 2 An entrepreneur needs which of the following characteristics?
 - a) very well dressed at all times
 - b) know a person in business
 - c) be very good at accounts
 - d) **confident.**
- 3 Which of the following is **not** a reward for risk taking when starting a business?
 - a) **being able to invest money**
 - b) being able to make a profit for yourself
 - c) being independent
 - d) being able to see your own ideas work.

4 Being enterprising means you are likely to be:

- a) **always looking for an opportunity to supply customers' needs**
- b) keen on keeping up to date with television productions
- c) highly intelligent and love working on your own
- d) good at sport and love team projects.

Case study 1

a) State **two** reasons why businesses exist. (2 marks)

AO1a/Knowledge (2 marks) – reasons might include, for example:

- ⇒ to satisfy the needs of customers
- ⇒ to make a profit.

b) Explain **one** characteristic Julie and Cathy might have as entrepreneurs. (2 marks)

AO1b/Understanding (1 mark) – may be shown by examples such as being:

- ⇒ creative
- ⇒ prepared to take risks
- ⇒ determined
- ⇒ confident.

AO2/Application (1 mark) – gives an explanation *relating to the case study*, for example:

- ⇒ Julie and Cathy must be creative and make sure that customers are offered a range of different styles for their hair.
- ⇒ Julie and Cathy must be confident as there will be other hairdressers in the area, and they must demonstrate they are confident so that customers will come to their salon.

c) Analyse **one** risk to an entrepreneur in starting a new hairdressing business in competition with Sophisticutz. (3 marks)

AO1b/Understanding (1) – may be shown by, for example:

- ⇒ financial loss
- ⇒ possible stress and effect on health
- ⇒ pressure on relationships with friends/family.

AO2/Application (1 mark) – gives an explanation *relating to the case study*, for example:

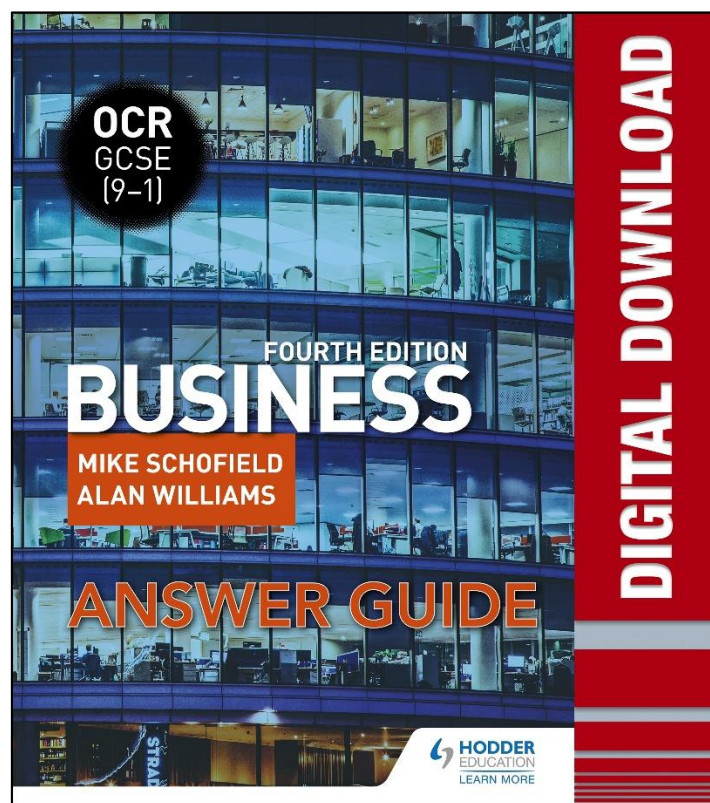
- ⇒ There are a lot of established hairdressers in the area.
- ⇒ There are no prime locations so there is a risk when starting a new business in a less favourable location. The stress caused by operating in these circumstances may increase.

1.1 Business activity, marketing and people

AO3a/Analysis (1 mark) – explains the *effect/impact* on the business operation, for example:

- ⇒ Competition from other businesses such as Sophisticutz may mean fewer customers especially in early stages, resulting in loss of income.
- ⇒ Cathy and Julie are entrepreneurs who set up their own separate hairdressing businesses. They were both successful and have many regular customers.
- ⇒ More recently they have joined forces at Sophisticutz and work together in the business, recognising that being together does have a number of advantages.

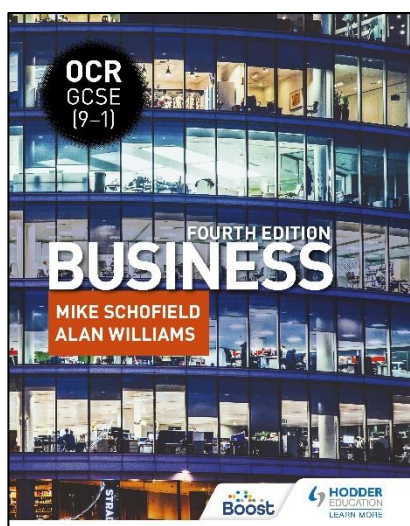
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