

A level Business Studies

Why do I need to complete a bridging activity?

The purpose of this activity is to aid your preparation for advanced level study and make the transition from GCSE study as smooth as possible. Some activities are written pieces of work, some are research-based and some are practical. They should be completed to the best of your ability as they will give you the opportunity to start to showcase your talent for your chosen subjects. As these are compulsory activities, it is vital that you put in the time and effort to ensure they are completed to the highest standard.

When should I hand this in?

You should complete this activity for the start of your first lesson in September.

How will I be given feedback?

Feedback appropriate to the task will be given to you by your teacher.

Summary of the activity

Section A: Complete the numerical calculations, using the data and formula provided.

Section B: Enter the data from your calculations into the table provide and comment on the results.

Section C: Carry out research into a business and then write a summary from your findings.

Student Name (to be completed by the student)



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Section A: Calculations

The task requires you to use the information provided to make calculations and then complete the profit table on page 4. When you have completed the table, you must make a brief **comment** on the financial changes between 2016 and 2017 and judgement on the overall performance of Jazzy Jumpers.

Company information

Jazzy Jumpers is a small business creating individually knit jumpers selling through an on-line website. As part of the accounting process the business must calculate its revenues, costs and profits for the year and then comment on the changes which have taken place between 2016 and 2017.

Financial Information

For each calculation, **show your workings** and your answer.

a. Calculate sales revenue for 2017.

The sales revenue is the income earned from selling jumpers. To calculate this you must use the formula and show your workings.

quantity of jumpers sold x selling price

4000 jumpers sold at a price of £30 each

.....
.....

The sales revenue is _____

b. Calculate the costs for 2017

Costs are the expenses a business incurs to make and sell the jumpers.

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b.i Cost of sales – this is how much it costs to make the actual jumper sold (materials and time). It is calculated using the following formula

quantity of jumpers sold x cost of making a jumper.

4000 jumpers were sold and it cost £12 to make each jumper

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.....

The cost of sales is _____

b.ii State the other/ fixed costs for 2017

These are the other costs of running a business, not directly linked to making each jumper and include costs such as rent, website fees, bills and marketing.

These other/ fixed costs are £3,000 higher than the figure for 2016 (see table page 4)

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.....

The other/fixed costs are _____

b. iii Calculate the total costs for 2017

This is the total of all running costs for the business and is calculated by using the following formula:

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cost of sales + fixed costs

.....

.....

Total costs are _____

C. Calculate the profit or loss for 2017.

The aim of the business is to make a profit. A profit exists when the sales revenue is higher than the total costs. A loss exists, when the sales revenue is lower than the total costs. It is calculated by the formula below.

sales revenue - total costs

.....

.....

The profit or loss is _____ ** (see below)

****If the answer is positive it is a profit; if the answer is negative it is a loss.**

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Section B – Profit Summary for Jazzy Jumpers

Transfer your answers from the previous pages to the 2017 column in the table below. Compare the figures for the two years and comment on the figures by summarising the change between the two years.

	2016 £	2017 £	Comment on the changes
Sales Revenue	105,000		
Business Costs			
Cost of Sales	42,000		
Other (Fixed) Costs	40,000		
Total Costs	82,000		
Profit	23,000		



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Write a summary paragraph on the overall business performance.

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Section C – Written Summary

The aim of this activity is to broaden your understanding of what a business is, as well as being able to create a piece of written text. This activity will help you to focus on the world of business in preparation for starting the course.

Research into a business

Select any business you use or know about and carry out a simple investigation into this business.

Write a one page **hand written** summary about the business.

Ideas for your summary could include:

- The name of the business
- Where it is located
- Products or services sold
- Pricing examples
- Promotion examples
- The types of customer who use the business
- Any competitors you are aware of
- Any other information you want to provide