Foxford Learning Plan

Year 11

GCSE Business

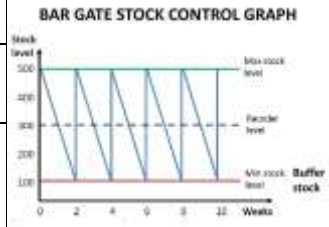
Autumn Term 1

Key Vocabulary

Gross profit	Gross profit is the amount of money the business makes after the costs of sales, are deducted from its sales revenue. ***Gross profit = sales revenue – cost of sales***
Gross profit margin	This is the percentage of sales revenue that is gross profit ***GPM = Gross profit / Sales Revenue x 100***
Net profit	Net profit is the profit the business generates after all other operating expenses and interest are deducted. ***Net profit = gross profit – other operating expenses and interest***
Net profit margin	This is the percentage of sales revenue that is net profit. ***NPM =Net profit / Sales Revenue x100***
Average rate of return	A way of comparing the profitability of different choices over the expected life of an investment
Business operations	The purpose of business operations is to turn raw materials into goods and services that can be sold.
Stock Control	**Inventory** at any given time

Key Skills

Over the course of the topic, I will be able to: -
Explain what gross profit is
Analyse the impact of a business using JIT management to manage their stock levels
Explain what a stock control chart shows
Explain the importance of using an ARR ratio
Compare and contrast different types of business operations
Be able to calculate gross and net profit ratios and use this to inform business decisions



I will Understand

1. The difference between **gross profit** and **net profit**
2. How to calculate the **GPM** and **NPM** ratio and use these to aid business decisions, such as where to cut costs and how to increase revenue
3. The importance of conducting an **Average rate of return** calculation and how to use this to aid business decisions; such as investment opportunities.
4. The following business operations: **Job production**, **Batch production** and **Flow production**
5. The importance of conducting an **inventory control chart** and to use this to make business decisions; such as when to re – order stock to maximum productivity.