Summer Research Sheet – Business Studies

Marketing:

- Name a business that has received good publicity
- Name a business that has received bad publicity

What impact might bad publicity have on the businesses?

Workforce

- Who is the largest employer in the UK
- What is National Living Wage for adults (over 25)

What would happen if N LW rises?

Production:

Explain the following terms

- JIT
- TQM

How can a restaurant improve its quality?

Finance

- What is the current rate of VAT
- What is the current base rate of Interest (set by Bank of England) in UK

What would happen to a house builder if interest rates rose?

What do the following initials stand for and briefly explain what they are:

- RPI
- ACAS
- CSR
- FTSE

Case Study: ZEST
Henry Mansell established *Zest Ltd* in 2001. The company supplies high quality soft drinks without preservatives or artificial flavours which gives the company a unique selling point (USP) in its market. It supplies drinks made from spring water with flavours from imported plants.

Zest Ltd enjoys favourable media reviews for the quality of its products; and it spends relatively little on marketing. It faces competition from large rivals such as Coca-Cola who can sell at lower prices. The first major UK supermarket to stock *Zest's* products found that sales of these products rose by 12% within three months. Further orders followed from other retailers, restaurants and bars. *Zest Ltd* launched other soft drinks with natural ingredients and plans to launch more new products.

Henry has become concerned about the managers because the workforce has grown so quickly. Their workloads have increased and some have complained that they cannot carry out their roles. He is worried about the company's profit margin (9.2%) and its poor cash balance. Its bank is supportive and has granted a £2 million overdraft, although *Zest Ltd's* cash position has deteriorated steadily.

1. If sales were £120,000 in the supermarket in the first month, calculate the sales level after 3 months

2. If the UK soft drinks market is worth £ 16bn, calculate the value of sales of the following:

   - Pepsi = 27%,
   - Coca cola = 31%
   - Other = 42%

3. Calculate full capacity in 2015 if output was 20m bottles and they were operating at 92% capacity utilisation.

4. If their drinks sell for £1.20 per bottle, calculate the profit that they make on each sale.