

Topics for Paper 2 – Operations, Finance, External Influences				
4. Operations				
4.1 Production Processes	Different production processes and their impact on businesses			
	The influence of technology on production and the impact on businesses			
4.2 Quality of goods and services	The concept of quality			
	Methods of ensuring quality			
	The importance of quality in both the production of products and the provision of services			
4.3 The sales process and customer services	Methods of selling			
	The influence of e-commerce on business activity			
	The importance to a business of good customer service including after-sales service			
	The contribution of product knowledge and customer engagement to good customer service.			
4.4 Consumer law	The impact of consumer law on businesses			
4.5 Business location	Factors influencing business location			
4.6 Working with Suppliers	The role of procurement			
	The impact of logistical and supply decisions on businesses			
5. Finance				
5.1 The role of the finance function	The purpose of the finance function			
	The influence of the finance function on business activity			
5.2 Sources of Finance	The reasons businesses need finance			
	Ways of raising finance			
	How and why different sources of finance are suitable for new and established businesses			
5.3 Revenue, Costs, Profit and Loss	The concept of revenue, costs and profit and loss in business and their importance in business decision making.			
	The different costs in operating a business			
	Calculation of costs and revenue			
	Calculation of profit/loss			
	Calculation and interpretation of profitability ratios			

	Calculation and interpretation of average rate of return			
5.4 Break-Even	The concept of break-even			
	Simple calculation of break-even quantity			
	The usefulness of break-even in business decision making			
5.5 Cash and Cash Flow	The importance of cash to a business			
	The difference between cash and profit			
	The usefulness of cash flow forecasting to a business			
	Completion of cash flow forecasts			
6. Influences on Business				
6.1 Ethical and Environmental considerations	Ethical considerations and their impact on businesses			
	Environmental considerations and their impact on businesses			
6.2 The economic climate	The economic climate and its impact on businesses			
6.3 Globalisation	The concept of globalisation			
	The impact of globalisation on businesses.			
7. The interdependent nature of business	The interdependent nature of business operations, finance, marketing and human resources within a business context			
	How these interdependencies underpin business decision making			
	The impact of risk and reward on business activity			
	The use of financial information in measuring and understanding business performance and decision making.			