

### **Topic A.1 Understand the costs involved in business**

- start-up costs
- operating (running) costs
- fixed and variable costs
- direct and indirect costs
- total costs

### **Topic A.2 Understand how businesses make a profit**

- sources of revenue for a business
- calculate revenue
- types of expenditure
- profit and loss

### **Topic B.1 Understand the planning tools businesses use to predict when they will start making a profit**

- define breakeven
- interpret a break-even chart
- calculate the breakeven

### **Topic B.2 Understand the tools businesses use to plan for success**

#### **Budgeting**

- budgeting and budgetary control

#### **Cash flow forecasting**

- inflows and outflows

### **Topic C.1 Understand how businesses measure success**

#### **Making a profit**

- cost of sales
- gross profit
- net profit

#### **Income statement (profit and loss account)**

- revenue (turnover)
- cost of sales
- gross profit
- expenses/overheads
- net profit

#### **Statement of financial position (balance sheet)**

- assets
- liabilities
- capital
- net assets
- is negative, the business may have
- problems financing its day-to-day activities

### **Topic C.2 Understand how businesses can be more successful**

- increase profits
- actions the business can take to succeed