Summer Research Sheet – Business Studies

Marketing:

- Name a business that has received good publicity over the summer
- 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 the Living Wage for adults

What would happen if it rises?

Production

What do the following initials stand for?

- JIT
- TQM

Name 3 ways in which a restaurant could 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:

- 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 the UK soft drinks market is worth £ 16bn, calculate the value of sales of the following using their market share:
   - Pepsi = 27%,
   - Coca cola = 31%
   - Other = 42%

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

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

4. Henry is worried about the company's profit margin.
   a) Using the case suggest 3 things that he could do to improve it
   b) For each idea explain how it might help and what might go wrong
   c) Recommend which suggestion he should use and why