Your notes

GCSE Business: revision notes

Technology, law and the economy

Contents

1. Technology
2. Legislation
3. The economy
4. Competition
5. Key terms
6. Quick questions
7. What to do next

Technology

- **E-commerce** (selling online), digital communication (email, social media and video calls), new payment systems (contactless and apps) and automation all affect businesses.
- Benefits: reaching more customers, selling 24 hours a day, lower costs and better data. Drawbacks: the cost of new technology and training, cyber-security risks, and competition from online rivals.

Legislation

- Employment law covers the **National Minimum Wage** and National Living Wage, discrimination (the Equality Act 2010), health and safety (the Health and Safety at Work Act 1974), working hours and contracts.
- Consumer law (the Consumer Rights Act 2015) says goods must be of satisfactory quality, fit for purpose and as described.
- Laws can add costs, but they protect workers and customers and help a business's reputation.

The economy

- **Unemployment**: when more people are out of work, spending falls, but recruiting is easier. Consumer income: rising incomes increase demand, especially for luxuries.
- **Inflation** (a general rise in prices) increases costs. **Interest rates**, set by the Bank of England, affect the cost of borrowing and how much customers spend.
- Taxes such as income tax, VAT and **corporation tax** (a tax on company profits) affect costs and spending.
- **Exchange rates**: a strong pound makes imports cheaper and exports more expensive (SPICED: strong pound, imports cheap, exports dear).

Competition

- More competition puts pressure on prices and pushes businesses to improve quality and innovate.

Key terms

E-commerce	Buying and selling online.
Legislation	Laws passed by Parliament.
National Minimum Wage	The lowest hourly pay employers can legally pay.
Inflation	A general rise in prices over time.
Interest rate	The cost of borrowing money, shown as a percentage.
Exchange rate	The value of one currency in terms of another.
Unemployment	People who want to work but can't find a job.
Corporation tax	A tax on company profits.
VAT	Value added tax: a tax on most goods and services.

Quick questions

Cover the answers and test yourself: remembering is what makes it stick.

1. What is e-commerce?
2. What is a benefit of e-commerce for a business?
3. What is a drawback of new technology?
4. Which law protects consumers when they buy goods?
5. Under consumer law, what must goods be?
6. What does the National Minimum Wage set?
7. What is inflation?
8. How does a rise in interest rates usually affect businesses?

Answers

1. Buying and selling online
2. It can sell to customers anywhere, 24 hours a day
3. It can be expensive to buy and to train staff to use
4. The Consumer Rights Act 2015
5. Of satisfactory quality, fit for purpose and as described
6. The lowest hourly pay employers can legally pay
7. A general rise in prices
8. Borrowing costs more and customers may spend less

What to do next

Practise 12 questions on this topic

Try 4 exam questions, with mark schemes

Your notes

Read the lesson, one step at a time

Free revision for GCSE and KS3 at lycolearn.co.uk. Some notes are for one exam board only, and say so in brackets.

Your notes