Strand 2 Chapter 10
Operations and finance (2 weeks)

Learning Outcomes

10.1 Outline the main elements that are key to the operational model of a business and explain why these may change over time.

10.2 Identify the key costs and sources of finance for a business and explore why these may change over the lifecycle of the product or service.

10.3 Analyse the cashflow of a business and recommend a suitable course of action for the business to address the issues arising from the analysis.

Chapter Overview and Introduction

From the Specification (Pg 19 of the NCCA Doc):

"In engaging with the learning outlined in this strand, students will explore idea development, the importance of planning, growth and development and operations and finance."

Useful business examples, stories, links, videos, resources…

https://www.irishtimes.com/business/2025/05/19/irish-sme-debt-jumped-to-an-average-444000-last-year/	Twenty per cent of SMEs surveyed applied for bank finance during the calendar year 2024, up from 18 per cent in 2023. Of those companies seeking finance, 37 per cent cited working capital/cash flow requirements as the primary reason.
https://www.enterprise-ireland.com/en/success-stories/solving-cashflow-problems-for-smes-accelerated-payments	Enterprise Ireland case study – business offering short term invoice payments to Irish SMEs
https://www.ifac.ie/news-insights/news/practical-steps-to-manage-cashflow-challenges-for-irish-sme-s	Managing cashflow problems

Digital hub links (these will become hyperlinks as they get added over the summer):

PowerPoint

Class exams with solutions

Worksheet for the Introduction Hook

Kahoot / online quizzes for formative assessment

Suggested solutions to workbook and sample paper questions

Chapter starts on page 176

Hook for the chapter – content in chapter PowerPoint to go with each

Watch The Irish Times YouTube video here -> https://www.youtube.com/watch?v=Otk85JpBvGo
The video highlights The Irish Times' shift toward digital expansion, especially in new markets like London. It touches on revenue diversification, strategic development, and the operational transition from print to digital.

The starter sheet to use after watching the video is here -> https://backinbusinesshub.com/teacher-content/ch10-worksheet/

Teacher prompts and suggested answers/info for the starter activity

Q1: Student Estimate
Expect varied guesses. Typical guesses may overestimate print or underestimate digital.

Q2: Research Revenue Splits
Total Revenue 2022: approximately €110 million - 2022 75% print 25% digital
Total Revenue 2023: approximately €115 million - 2023 65% print 35% digital
Percentage increase in digital 25% -> 35% is a 10/25 increase – up 40% of its original share.
Trend Summary:
Print revenue is declining while digital is growing.
Shift suggests growing digital subscriptions and reduced dependency on print advertising.
Suggested Prompt:
"Why is it important for The Irish Times to grow its digital revenue? What risks might they face if they rely too heavily on print?"

Q3: Other Revenue Streams
Students should try to research and identify at least two additional revenue sources outside of print and digital subscriptions.
Examples may include:
Paid notices and obituary listings through RIP.ie
Sponsored content and brand partnerships (e.g. campaigns with Dove Men+Care)
Events such as The Gloss Gala (lifestyle event brand)
Displaying advertising and accepting podcast sponsorships for some shows
Suggested Prompt:
"How do these additional revenue streams help the business survive during times when print sales are falling?"

Q4: Fixed vs. Variable Costs
Students classify each cost type. Below are suggested answers:

Journalist salaries: Fixed – paid consistently regardless of output.
Printing and distribution: Variable – depends on how many papers are printed or distributed.
Website hosting and tech maintenance: Fixed – generally a consistent cost.
Marketing campaigns: Variable – varies depending on promotional activity.
Freelance contributor fees: Variable – only paid when work is commissioned.
Subscription management tools: Fixed – usually licensed or long-term service contracts.
Suggested follow up:
"Which of these are likely to change over the next few years? Why?"

Primer Questions

Imagine you were selling your own hoodies online. What outside business partners do you think you'd need to rely on to do this (think platform, delivery, marketing, etc.)?

Prompt: Encourage students to consider the full business journey from product creation to customer delivery, and how a business won't do all of these things themselves – this introduces the concept of **KEY PARTNERS** a business will need to use and rely on to sell their products (part of the operational model.

Expected Responses:

- **E-commerce platform:** Shopify,WooCommerce.
- **Delivery partner:** An Post, DPD, or another courier for distribution.
- **Marketing support:** Social media platforms (Instagram, TikTok), paid/sponsored influencers, or digital marketing agencies.
- **Payment processor:** Stripe or PayPal to handle transactions.
- **Suppliers/manufacturer:** For blank hoodies or custom printing services to produce their designs in a factory.

What are the main assets of a business like Disney?

Do you know the difference between short-term and long-term finance?

If a business knows it is likely to run short on cash in three months, what are two things it could do to try to prevent this from happening?

What are the main assets of a business like Disney?

Prompt: Guide students to think beyond physical buildings and equipment. Introduce the concept of **KEY RESOURCES** - what a business owns or controls that gives it a competitive advantage, including intellectual property, brand strength, and media assets.

Expected Responses:

- **Brand:** One of the most recognisable and valuable brands in the world.
- **Intellectual property:** Characters, storylines, and franchises like Marvel, Star Wars, Pixar, and Disney Classics.
- **Digital platforms:** Disney+ streaming service, websites, and mobile apps.
- **Physical assets:** Theme parks, resorts, cruise ships, studios.
- **Talent and staff:** Creative professionals, engineers, performers, designers.
- **Distribution rights:** Exclusive rights to show or sell content globally.

Do you know the difference between short-term and long-term finance?

Prompt: Help students recognise how businesses use different types of finance depending on the purpose and repayment time. Introduce the idea that sources of finance must match the business need.

Expected Responses:

- **Short-term finance:**

Used for everyday expenses like stock, bills or covering temporary cash flow issues.
Hoodie business example: Trade credit to pay suppliers later or an overdraft to manage weekly spending.
Disney example: Cash to cover daily production costs for a new show or campaign.

- **Long-term finance:**

Used for larger investments that support business growth, usually paid back over several years.
Hoodie business example: A five-year loan to lease a workspace or buy equipment.
Disney example: Building a new theme park or buying a company like Marvel, with costs repaid over a long term.

• **Key difference:**
Short-term finance is for day-to-day running. Long-term finance supports expansion and is repaid over at least one year, often longer.

If a business knows it is likely to run short on cash in three months, what are two things it could do to try to prevent this from happening?

Prompt: Use this to introduce the importance of managing cash flow **before** a problem happens – planning in advance of the problem. Encourage students to think of realistic actions a business could take to bring in cash faster or reduce spending.

Expected Responses:
• **Delay or cut spending:**
A business could hold off on buying new stock or equipment until income improves.
Hoodie business example: Pause plans to upgrade packaging or delay ordering extra stock, reduce planned marketing budget.
Disney example: Postpone a marketing campaign or delay production on a smaller project.
• **Increase cash coming in:**
Offer a limited-time discount or bundle deal to boost short-term sales.
Hoodie business example: Run a sale to quickly move stock and raise funds so you avoid the deficit.
Disney example: Promote special park deals or streaming offers to increase subscriber payments.
• **Key idea:**
The main ways to avoid a future deficit are: use finance (overdraft), spread payments (no lump sum payment), increase receipts (have a sale), and reduce expenditure (cut discretionary/less necessary spending, postpone large spends).

Potential other primer questions:
What are the key activities a business needs to focus on daily / day-to-day to be able to deliver its product or service to its customers?
Prompt: Use this to introduce the idea that **KEY ACTIVITIES** are the core tasks a business must carry out to create value. These depend on the type of business and often change as the business grows.
Expected Responses:
• Key activities include production, marketing, customer service, distribution, and managing online platforms.
Hoodie business example: Processing orders, managing stock, fulfilling deliveries, updating the website, responding to customer queries, posting on social media.
Disney example: Operating rides and shows, managing hospitality services, delivering content via Disney+, handling customer service, coordinating marketing schedules, administering licensing renewals.

How can a business increase its revenue streams without launching a new product?
Prompt: This helps students understand that revenue does not only come from selling products. Businesses can develop new ways to earn income from what they already offer.
Expected Responses:
• Introduce subscription models, offer add-ons, bundle products, or monetise content through advertising.
Hoodie business example: Launch a paid membership for early access or exclusive designs, or partner with influencers for affiliate sales.
Disney example: Sell merchandise tied to existing films, run special events in theme parks, or offer behind-the-scenes content on Disney+.
• The goal is to make better use of what the business already has to grow income.

Key information for the chapter:

Strand 2 Chapter 10	**Operations and finance**	**2 weeks**							
Learning Intention	**Learning Outcome**	**Textbook (Pages)**	**Minutes allocated**	**Activity Book (HL Qs)**	**Activity Book (OL Qs)**	**HL Sample Paper 1**	**HL Sample Paper 2**	**OL Sample Paper 1**	**OL Sample Paper 2**
the elements of the operational aspect of the business including the key partners a business may have, the key activities of the business and the key resources, while also understanding how these may evolve over time.	10.1 Outline the main elements that are key to the operational model of a business and explain why these may change over time.	177-181	60	Q1	Q1, Q2				
the financial aspect of a business including the key costs incurred (variable costs, fixed costs) and the potential revenue streams (single transactions or recurring sales) for the business, understanding that these may evolve over time and that the business may need to take action to address issues that arise.	10.2 Identify the key costs and sources of finance for a business and explore why these may change over the lifecycle of the product or service.	182-189	120	Q2-Q4	Q3-Q6			OL1 Q1 (f)	
	10.3 Analyse the cashflow of a business and recommend a suitable course of action for the business to address the issues arising from the analysis.	190-193	80	Q5, Q6	Q7				OL2 Q4 (a)
		Total Time:	**260**	**Hours:**	**4.3**				

S2 Ch10 Operations and finance (L.O. 10.1)

Textbook Pages: 177-181

Activity Book: HL Q1 | OL Q1,Q2

Time Allocation: 1 hour

Learning Outcome	10.1 Outline the main elements that are key to the operational model of a business and explain why these may change over time.
Students Learn About	The elements of the operational aspect of the business including the key partners a business may have, the key activities of the business and the key resources, while also understanding how these may evolve over time. The operational model of a business, including: • Key partners (e.g. suppliers, platforms, logistics, service providers) • Key activities (e.g. daily operations, marketing, fulfilment, production) • Key resources (e.g. brand, assets, IP, technology, staff) Also covered: how these elements evolve as a business grows, adopts technology, or enters new markets.
Sample Paper Q	-
Create other potential Qs	Explain how the key resources and key activities of a business may change over time. Outline the three main elements of the operational model of a business

Specification Language Decoded

Outline: Give the main points; restrict to essential points of information
Explain: Give a detailed account including reasons or causes

Know	Understand	Be able to do
• The three elements of an operational model • Real-world examples of partners, activities, and resources	• Why businesses rely on external partners • How operational needs shift with scale, market trends, or digital transformation	• Identify and explain each operational element from a case study • Suggest reasons for operational change (e.g. cost, efficiency, technology) • explain why the main elements may change over time.

Opportunities to differentiate for this Learning Outcome

Support Strategies	Extension Opportunities
• Match real businesses with their operational elements • Give a list of examples of each element for a matching exercise	• Predict how a business like Netflix or Disney might evolve its operational model in the next 5 years

Note

The operational model is the day-to-day part of the Business Model Canvas from chapter 8.

S2 Ch10 Operations and finance (L.O. 10.2)

Textbook Pages: 182-189

Activity Book: HL Q2-Q4 | OL Q3-Q6

Time Allocation: 2 hours

Learning Outcome	10.2 Identify the key costs and sources of finance for a business and explore why these may change over the lifecycle of the product or service.
Students Learn About	The financial aspect of a business including the key costs incurred (variable costs, fixed costs) and the potential revenue streams (single transactions or recurring sales) for the business, understanding that these may evolve over time and that the business may need to take action to address issues that arise. The financial aspect of a business including: • Key costs incurred (variable and fixed costs) • Revenue streams (e.g. one-off sales, subscriptions, licensing) • Sources of finance (short-term, medium-term and long-term) • How costs, revenue and finance needs may change as the business moves through different stages (start-up, growth, maturity)
Sample Paper Q	**OL1 Q1 (f)** *"EverGlow Organics Ltd is considering various financing options, such as applying for a long term loan or seeking investors."* Identify a suitable source of finance EverGlow Organics Ltd may use to fund their plans. Give a reason for your choice. **OL1 Q5 (a) (i)** Choose whether each example is variable or fixed from the list below 1. Monthly rent for the bakery space 2. Cost of ingredients 3. Lease payments for equipment
Create other potential Qs	Identify two suitable sources of finance a business could avail of when looking to add a delivery van. Give a reason for your choice. Explain how a business' short-term needs may change over the lifecycle of the product or service. List two examples of fixed costs and two examples of variable costs for an online clothing business.

Specification Language Decoded

Identify: Recognise patterns, facts, or details; provide an answer from a number of possibilities; recognize and state briefly a distinguishing fact or feature. **Explore (not in specification – assume in line with investigate):** Observe, study, or make a detailed and systematic examination, in order to establish facts and/or reach new conclusions.

R&R activity

Pg 188	Additional video to watch before: https://www.youtube.com/watch?v=-2PgfQ1nw7M Wayflyer is an Irish fintech company that provides *revenue-based finance,* a modern alternative to traditional loans. It gives e-commerce businesses upfront cash, and instead of fixed

	repayments or interest, it takes a percentage of daily sales until the loan is repaid. It's especially useful for businesses with seasonal or inconsistent income. **Q: What makes a financial service 'disruptive'? Find two more examples and explain why they were disruptive.** **Teacher Prompt:** "Think about what traditional service was replaced or challenged. What made the new approach faster, easier, or more flexible?" **Expected Student Responses:** • A *disruptive service* changes the usual way things are done in an industry/by traditional sellers, often using technology, to offer more flexible, innovative or customer-friendly solutions. **Other examples:** 1. **Revolut** – Disrupted banking by letting users manage money via app, avoiding traditional banks. 2. **Stripe** – Transformed online payments by offering easy-to-integrate payment systems for businesses, removing the need for expensive merchant services. **Q: Investigate and explain two advantages and disadvantages of a business accessing funds from Wayflyer for its working capital needs.** **Teacher Prompt:** "Think about short-term cash needs and the trade-offs a business might make by tying repayments to future sales." **Expected Student Responses:** **Advantages:** • No fixed repayment schedule: repayments adjust to sales performance. • Fast approval: useful for businesses needing to act quickly or who traditional banks rejected. **Disadvantages:** • May become expensive: until the fee is repaid, they will continue to take a percentage of revenues. • Reduced cash flow: during high sales periods, a chunk of income is automatically deducted for repayments.

Know	Understand	Be able to do
• Definitions and examples of fixed and variable costs • Types of revenue (transactional, recurring, passive) • Different sources of finance (e.g. trade credit, loans, equity investment)	• Why finance needs vary depending on the stage of a business • How revenue streams can evolve as the business diversifies • A business should match the purpose of the source of finance to it's length (S-T, M-T, L-T)	• Classify different costs correctly • Match finance types to business scenarios • Explain why a business might change its cost structure or financing over time

Opportunities to differentiate for this Learning Outcome

Support Strategies	Extension Opportunities

Provide a short case study of a small local business (e.g. a coffee shop or hoodie brand) with a list of its costs and financing needs. Ask students to work in pairs to categorise the costs into fixed and variable, and choose one short-term, one medium-term and one long-term finance option. Include a matching word bank to assist with terminology.	Ask students to research a real company (e.g. Gym+Coffee or Netflix) and outline how its sources of finance and revenue streams might have changed since it started. Students present their findings on how growth or digital expansion influenced the company's financial structure.

Note

- The outcome verb is identify for key costs and sources of finance, which means "state briefly a distinguishing fact or feature" so they may not need to know sources in huge depth.
- The LO puts emphasis on "explore why these may change over the lifecycle of the product or service" so questions could follow along those lines, potentially linked to the Q1/case study.
- The LI also mentions "the potential revenue streams (single transactions or recurring sales) for the business" so is examinable also.

S2 Ch10 Operations and finance (L.O. 10.3)

Textbook Pages: 190-193

Activity Book: HL Q5, Q6 | OL Q7

Time Allocation: 80 minutes

<table>
<tr><td>Learning Outcome</td><td>10.3 Analyse the cashflow of a business and recommend a suitable course of action for the business to address the issues arising from the analysis.</td></tr>
<tr><td>Students Learn About</td><td>The financial aspect of a business including the key costs incurred (variable costs, fixed costs) and the potential revenue streams (single transactions or recurring sales) for the business, understanding that these may evolve over time and that the business may need to take action to address issues that arise.</td></tr>
<tr><td>Sample Paper Q</td><td>OL2 Q4 (a)
Cashflow Forecast Analysis.
Examine the cashflow forecast for the Lakeview Inn and answer the questions that follow.
<table>
<tr><th colspan="6">CASHFLOW FORECAST LAKEVIEW INN 2025</th></tr>
<tr><th></th><th>JAN</th><th>FEB</th><th>MAR</th><th>APR</th><th>TOTAL</th></tr>
<tr><td>RECEIPTS</td><td>€</td><td>€</td><td>€</td><td>€</td><td>€</td></tr>
<tr><td>Room Sales</td><td>18,000</td><td>23,000</td><td>22,000</td><td>30,000</td><td>93,000</td></tr>
<tr><td>Food and Beverage Sales</td><td>8,000</td><td>10,000</td><td>11,000</td><td>15,000</td><td>44,000</td></tr>
<tr><td>Other</td><td>5,000</td><td>6,000</td><td>5,500</td><td>8,000</td><td>24,500</td></tr>
<tr><td>TOTAL RECEIPTS</td><td>31,000</td><td>39,000</td><td>38,500</td><td>53,000</td><td>161,500</td></tr>
<tr><td>PAYMENTS</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Purchases</td><td>14,000</td><td>18,000</td><td>16,500</td><td>22,000</td><td>70,500</td></tr>
<tr><td>Wages</td><td>10,500</td><td>13,000</td><td>11,500</td><td>16,000</td><td>51,000</td></tr>
<tr><td>Equipment Purchase</td><td>-</td><td>-</td><td>36,000</td><td>-</td><td>36,000</td></tr>
<tr><td>Other</td><td>4,000</td><td>6,000</td><td>3,000</td><td>6,000</td><td>19,000</td></tr>
<tr><td>TOTAL PAYMENTS</td><td>28,500</td><td>37,000</td><td>67,000</td><td>44,000</td><td>176,500</td></tr>
<tr><td>NET CASH</td><td>2,500</td><td>2,000</td><td>(28,500)</td><td>9,000</td><td>(15,000)</td></tr>
<tr><td>OPENING CASH</td><td>500</td><td>3,000</td><td>5,000</td><td>(23,500)</td><td>500</td></tr>
<tr><td>CLOSING CASH</td><td>3,000</td><td>5,000</td><td>(23,500)</td><td>(14,500)</td><td>(14,500)</td></tr>
</table>
(i) Which month is expected to have the highest closing cash surplus?
(ii) In which months is a closing cash deficit expected?
(iii) According to the forecast, what is identified as the main reason for this deficit?
(iv) Outline two pieces of advice you would offer the manager of the Lakeview Inn on how to better manage their finances to prevent this deficit.</td></tr>
<tr><td>Create other potential Qs</td><td></td></tr>
</table>

Specification Language Decoded

Analyse: Study or examine something in detail, break down in order to bring out the essential elements or structure; identify parts and relationships, and to interpret information to reach conclusions.

Recommend (not in specification – assume in line with suggest): Propose solution(s), hypothesis, or other possible answer(s)

Know	Understand	Be able to do
• The structure of a cash flow forecast	• The risks of negative cash flow and how to prevent it • How CF deficits arise	• Interpret a CF and highlight/identify issues (often a

• What causes cash flow surpluses or deficits		one-off purchase causing a deficit, or a seasonal fall in sales) • Propose actions to improve a CFF • Justify recommendations based on financial data from the CFF

Opportunities to differentiate for this Learning Outcome

Support Strategies	Extension Opportunities
Include visual cues and prompts like “highlight all negative balances” or “circle the largest payment”. Or pre-highlight/circle items, and have students answer why they were marked/are important.	Challenge students to identify businesses/industries most likely to run in to cashflow problems (using data) and to understand why certain industries are more likely to have CFF issues.

Note

The outcome verb is analyse, so it looks like the emphasis is on the student highlighting issues/trends in a completed cashflow, similar to the sample paper question on the OL2 paper.
Having students complete partially filled CFFs would still be useful to get them to understand the relationships, and in case is does get asked under analyse.

Links to cross-cutting themes:

Entrepreneurial Thinking:	Students examine how businesses adapt their operational models, revenue streams, and cost structures over time, developing a mindset focused on flexibility, problem-solving, and proactive financial planning. The chapter promotes innovation in identifying partners and financing methods.
Ethics and Sustainability:	Discussions around fixed and variable costs, sourcing, and operational decisions allow teachers to explore ethical trade-offs (e.g. sustainable suppliers, staff wages) and long-term financial sustainability. The importance of responsible financial management is highlighted in cash flow planning.
Digital Transformation:	The chapter focuses heavily on digital shifts, particularly in case studies like (starter activity) The Irish Times, where digital revenue, online tools, and platform-based models reshape how businesses operate, reach customers, and manage costs. The growth of new funding like Wayflyer is also covered in an R&R. This directly illustrates digital adaptation in real time.
Business and Financial Literacy:	Students build a clear understanding of financial terms such as fixed/variable costs, revenue streams, short, medium and long-term finance, and cash flow forecasting. These core literacy elements are central to enabling students to assess business viability and make sound financial decisions – CFF highlight the importance of planning to make adjustments

Assessments

Formative	Summative	AAC (Investigative Study)
• Starter worksheet linked to The Irish Times case study (revenue shifts and cost structure) • Think-Pair-Share activities using primer questions • Chapter Kahoot • Flashcard / whiteboard testing • Cash flow forecast analysis using guided examples • Matching activities on fixed/variable costs and sources of finance • Exit tickets: "Name one fixed cost, one revenue stream, and one digital impact on operations"	• Class test with sample paper-style questions (e.g. cost classification, finance recommendation, interpreting a CFF) • Team-test of sample paper questions	

What examples/resources have we used before that we can adapt for this chapter?

E.g. Think-Pair-Share, Roleplays, Debates, Inquiry tasks, Digital tools

Think-Pair-Share	
Roleplays / Simulations	
Inquiry Tasks	
Debates	
Digital Tools	

Teacher and Department Review

1. Teaching and Learning Effectiveness	2. Differentiation and Inclusion
Were students able to explain how and why a business's operational or financial model might change over time? Did students engage effectively with the case study and real-world examples (e.g. The Irish Times) or do I need to change next time?	Were support strategies (e.g. guided worksheets, visual aids) effective in helping all students access the material? Were extension tasks used to challenge higher-achieving students? Did all students have opportunities to contribute, regardless of ability or confidence level?
3. Resource Use and Gaps	**4. Connections and Continuity**
Did the selected worksheets, slides, and case studies support learning outcomes effectively? Are there any gaps in digital tools, visual resources, or differentiated tasks that need to be addressed?	How well did this chapter build on prior learning from Chapters 8 (e.g. the Business Model Canvas)?