



Wales
HIGH SCHOOL
SIXTH FORM

Academic Reading List

OCR Business Studies

Business Studies (OCR)

Please read the two recent news articles.

One is about Venture capital and the other is about inflation.

Each one has a summary provided by Tutor2U – a website for Business Studies.

You will have to research these two topics to be able to answer questions at the end of each article.

You should also sign up for updates from Tutor 2U. You will find details on the web site.

Business Studies (OCR)

Southampton-based dementia debit card wins £125k Dragons' Den investment

5 March



Dragon Sara Davies with Sibstar founders Jayne Sibley and Martin Orton

By Emily Ford & Briony Leyland
BBC News

A business owner has secured £125,000 on Dragons' Den for her debit card and mobile app for people with dementia.

Jayne Sibley, from Winchester, created Sibstar while caring for her parents, who were both diagnosed with the disease.

The card and app allows families to safely manage everyday spending and was launched in March 2023.

Dragons' Den investors, Sara Davies and Deborah Meaden backed the business and said it could "transform lives".

Image caption,

Ms Sibley said the Sibstar team had been working through the weekend after their Dragons' Den episode aired

Ms Sibley recently appeared on the BBC show with her business partner Martin Orton and said it was a "hugely emotional experience" as she had to talk about "difficult times" caring for her parents.

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She said when her late mother, June, was living with dementia, handling everyday money became difficult, explaining: "She got very confused with how much to spend, she would spend more on food shopping than me and I've got a family of four and it would all go off in the fridge.

"She fell victim to scams over the phone, she would take money out of the cashpoint and give it away three or four times a day. My brother and I eventually made the very difficult decision of taking away access to her own money, which immediately meant taking away her independence."

Jayne Sibley created Sibstar while caring for her mum, June, who had dementia. Sibstar means a person with dementia has access to a debit card, which is pre-loaded with funds and a caregiver or loved one is then able to manage the money through a phone app.

Ms Sibley added: "You can manage how and where that money is used. So you can set monthly spending limits, daily spending limits, you can set how much can be taken out of the cashpoint."

Deborah Meaden said Sibstar was the "best kind of investment"
Deborah Meaden and Sara Davies both offered £62,500 on the show, each with a 5% share of the business.

Ms Meaden said: "Jayne's idea is so simple, but has the ability to transform lives. I was impressed by how she'd taken her own lived experience and channelled it into making an impressive financial services product that's already secured a foothold in a sector in which it's notoriously difficult to achieve cut-through."

Ms Davies added: "I think many families out there are going to be extremely grateful to Jayne for addressing a common challenge for people with dementia, and I'm excited to offer the benefit of my experience to help those affected live independently for longer."

Ms Sibley said that since the Dragons' Den episode aired, enquiries into the business have increased.

She said: "Our social media following has doubled overnight and our enquiries have gone up by about 1,000%, huge impact it's an incredible opportunity."

Business Studies (OCR)

In the News Teaching Activity – Dragons invest in Dementia Debit Card (March 2024)



Debit card app for dementia patients secures £125k Dragons' Den investment.

Jayne Sibley, from Winchester, created Sibstar while caring for her parents, who were both diagnosed with the disease.

Dragons' Den investors, Sara Davies and Deborah Meaden backed the business and said it could "transform lives". Ms Sibley recently appeared on the BBC show with her business partner Martin Orton and said it was a "hugely emotional experience" as she had to talk about "difficult times" caring for her parents. She said when her late mother, June, was living with dementia, handling everyday money became difficult.

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- 1 The investors on *Dragon's Den* are 'Venture Capitalists' – what does this mean?
- 2 Calculate the total value of Sibstar based on the investment from Deborah Meaden and Sara Davies
- 3 What are the advantages and disadvantages of this type of finance to entrepreneurs such as Jane Sibley and Martin Orton?

Business Studies (OCR)

UK inflation falls as some food prices drop



By Lora Jones

Business reporter, BBC News

Inflation has fallen to its lowest level in two-and-a-half years, driven largely by slowing food price rises.

Prices rose by 3.2% in the year to March, down from 3.4% the month before, according to official figures.

The cost of some items including meat, crumpets, chocolate biscuits, furniture and household items fell. However, petrol and diesel prices rose.

Lower inflation does not mean prices overall are coming down, they are just rising less quickly.

While the overall rate of inflation has dropped, goods in the shops are still much more expensive than they were two years ago.

Meat prices, driven by a drop in the cost of pork, fell by 0.5% between February and March, compared with a rise of 1.4% a year ago. It means the meat price rises slowed further to 3.1% in the year to March, the lowest rate since November 2021.

Prices for furniture and household goods like cleaning products also fell by 0.9% in the year to March.

Soaring food and energy bills have been the main causes behind the UK's high inflation in recent years.

Business Studies (OCR)

Inflation has been falling gradually since it peaked at 11.1% in late 2022, driven by the aftermath of Covid when demand for goods rose sharply after factories struggled to cope with the rise in demand.

Oil and gas were also in greater demand after the pandemic, and prices surged again when Russia invaded Ukraine, cutting global supplies. The conflict also reduced the amount of grain for sale, pushing up food prices.

It led to inflation for food and non-alcoholic drinks hitting almost 20% last year - the highest level seen since the 1970s.

Miles Johnson is a student in London, and has been shopping around more to make sure he is getting the best prices possible.

"I go to multiple places to get the best deal, sometimes I work from home not through choice - just because it's cheaper to eat at home and not pay for travel," he said.

He said he is certainly feeling the strain of high prices and doesn't feel like things are getting any more manageable.

Miles Johnson says his costs are becoming unmanageable

The rate of inflation in March was slightly higher than economists expected, but experts said that was unlikely to change expectations that the Bank of England will cut interest rates this year, potentially as early as June.

Yael Selfin, chief economist at KPMG UK, said it expected inflation to return to its 2% target later this spring, "which raises the prospect of interest rate cuts from June onwards".

Chancellor Jeremy Hunt described the latest official figures as "welcome news".

He said that due to lower inflation and the government's recent cut in National Insurance for the employed and self-employed, which came into force on 6 April, "people should start to feel the difference as well as see it in their pay cheques".

Speaking from the United States, where he is meeting key business leaders, Mr Hunt told the BBC: "It is very tough and we have been through a very tough period." But he argued the UK was emerging from a difficult time and that the "fundamentals of the UK economy are actually very strong".

However, Rachel Reeves, Labour's shadow chancellor said working people would still feel worse off.

"Prices are still high in the shops, monthly mortgage bills are going up and inflation is still higher than the Bank of England's target," she said.

Liberal Democrat Treasury spokesperson Sarah Olney said: "Nobody will notice this in their pockets. By patting themselves on the back for this record, Rishi Sunak and Jeremy Hunt have proved just how out of touch they are."

Business Studies (OCR)

The Bank makes its next interest rate decision on 9 May. The UK's central bank has been increasing interest rates in a bid to slow price rises and they are currently at their highest level for 16 years.

The theory is that if you make borrowing more expensive, people have less money to spend, or may choose to save more as saving rates go up. This in turn reduces demand for goods and helps cool inflation.

On Tuesday, Bank governor Andrew Bailey said the question was how much more evidence was necessary before starting to cut interest rates in the coming months.

Consumer prices in the US rose faster than expected last month, with the UK inflation rate now sitting below that of the United States for the first time since early 2022.

Some experts have said there is the prospect of the Bank of England starting to cut interest rates before their counterparts in the US as a result.

Both central banks, as well as those in Europe, have increased rates across the last few years as inflation soared, but as various economies with strengths in different sectors see inflation fall at different rates, their paths on interest rates may diverge.

Ian Stewart, chief economist at Deloitte, said that although inflation may be in "retreat" in the UK, "the Bank of England cannot yet be sure that it is beaten".

With people's wage growth remaining above forecasts, "and the economy reviving, the Bank will be in no hurry to cut interest rates", he said.

On Wednesday, separate ONS figures showed that private rents had increased by 9.2% in the 12 months to March, now averaging £1,285 in England.

Next month's overall inflation figure looking back at April is expected to show a bigger drop as the lower energy price cap is taken into account, even as households' direct debits remain higher.

Business Studies (OCR)

In the News Teaching Activity – Falling inflation in the UK (April 2024)



A-LEVEL BUSINESS

Inflation slows as food price rises ease, falls to lowest in 2.5 years.

The UK's inflation rate slowed to 3.2% in the year to March 2024, down from 3.4% the previous month. This was driven by falling prices for some items like meat, crumpets, chocolate biscuits, furniture, and household goods. However, petrol and diesel prices rose.

While the overall inflation rate has decreased, prices are still significantly higher than they were two years ago. The drop in inflation does not mean prices are coming down, but rather that they are rising at a slower pace.

Food and energy prices were the main contributors to the UK's high inflation over the past few years, with food and non-alcoholic drink prices reaching almost 20% last year, the highest level since the 1970s.

Despite the slowdown in inflation, consumers like Miles Johnson in London are still feeling the strain of high prices and are actively seeking ways to save money.

Economists expect the Bank of England to cut interest rates later this year, potentially as early as June, as inflation is projected to return to the 2% target in the spring. Chancellor Jeremy Hunt welcomed the lower inflation figures, stating that people should start to feel the difference in their pay due to lower inflation and the recent National Insurance cut.

The UK's inflation rate is now below that of the United States for the first time since early 2022, raising the prospect of the Bank of England cutting rates before the US Federal Reserve. Private rents in England also increased by 9.2% in the year to March, averaging £1,285.

- 1 What is meant by 'inflation'? What impact has falling inflation had on prices of goods and services in the UK? Explain one impact of inflation for consumers.
- 2 Explain how changing interest rates may impact on businesses. How might rising interest rates affect the rate of inflation in the UK?