

Size of business: which laundry is the biggest in Marlow Bay?

Teacher guidance and answers | Original TBS classroom practice

Use this lesson after learners have met the idea that businesses differ in size. Learners calculate market share, capital employed and full-time equivalent employees for three fictional laundries, see that the answer to "which is bigger?" depends on the measure, sort the limits of each measure in pairs, classify the advantages and disadvantages of small and large firms in pairs, and write an evaluation. The tasks are planned to take about 55 minutes and have not been trialled in a classroom. The minutes include brief answer checking but not handing out materials or a full plenary; allow about 65 minutes in the timetable.

Curriculum fit

Cambridge International AS & A Level Business (9609), syllabus for exams in 2026, 2027 and 2028, version 2 (published December 2025), printed page 14, AS Level content, Topic 1 Business and its environment, 1.3 Size of business. 1.3.1 Measurements of business size: "the appropriateness of different methods of measuring the size of a business". 1.3.2 Significance of small businesses: "the advantages and disadvantages of being a small business". The 1.3 wording is identical in the syllabus for 2029. The syllabus names no particular measures; employees, sales revenue, capital employed and market share are the usual ones taught for 1.3.1 and are a TBS choice. Checked against the Cambridge syllabus documents; please confirm with your exams officer. This is a TBS lesson, not a Cambridge resource; it is not endorsed by Cambridge International Education and uses no Cambridge exam questions or mark schemes. The command words Calculate, Explain and Evaluate are used as in the syllabus list (printed page 39); Task 5 and the exit ticket use Evaluate.

All business details and numbers are fictional. The answers are indicative teaching guidance only. There is no official mark tariff, level descriptor or AO allocation for these tasks and no grade claim is made.

Lesson plan (about 55 minutes of tasks, estimated)

Stage	Minutes	What happens
Starter: name the measure	5	Four descriptions matched to four measures.
Task 1: measure the firms	12	Market share, capital employed, full-time equivalent; who is bigger on each measure.
Task 2: the festival contract	6	Remove the one-off revenue and compare the gap.
Task 3: limits of each measure (pairs)	10	Pairs tick eight limits; choose a measure for a list of the ten biggest firms.
Task 4: small or large? (pairs)	8	Pairs code eight statements; choose between Kittiwake and Aquaflow.
Task 5: evaluate the claim	10	Written evaluation of about 120 words.
Exit ticket	4	Market share when revenue and market both grow.
Total	55	

45-minute version: starter 4, Task 1 10, Task 2 4, Task 3 8, Task 4 6, Task 5 9, exit ticket 4 (total 45). Pairs split the work in Task 3 (one partner ticks limits 1 to 4, the other 5 to 8) and in Task 4 (statements 1 to 4 and 5 to 8), then check each other's rows. Skip Task 1c and ask for about 80 words in Task 5. This timing has not been trialled. The 45 minutes are task time only, so in a real 45-minute period, with handing out and feedback, move the exit ticket to homework.

Answers: starter, Task 1 and Task 2

Indicative guidance for teachers. This is not an exam board mark scheme and carries no marks or grades.

Starter: (i) sales revenue; (ii) number of employees; (iii) market share; (iv) capital employed.

Task 1a:

Firm	Sales revenue (£m)	Market share (%)
Tidewell Linen	9.6	16
Aquaflow Laundry	12.0	20
Kittiwake Linen	0.9	1.5

Working: $9.6 / 60 \times 100 = 16$; $12.0 / 60 \times 100 = 20$; $0.9 / 60 \times 100 = 1.5$. Common error: forgetting to multiply by 100.

Task 1b:

Firm	Share capital (£m)	Retained profit (£m)	Long-term loans (£m)	Capital employed (£m)
Tidewell Linen	5.4	6.0	3.0	14.4
Aquaflow Laundry	4.5	3.3	3.0	10.8
Kittiwake Linen	0.2	0.3	0.1	0.6

Working: $5.4 + 6.0 + 3.0 = 14.4$; $4.5 + 3.3 + 3.0 = 10.8$; $0.2 + 0.3 + 0.1 = 0.6$. Common error: adding only share capital and loans.

Task 1c: Tidewell: $90 + 150 \times (20 / 40) = 90 + 75 = 165$ full-time equivalent employees. Aquaflow has 90, so Tidewell's lead as an employer falls from 150 people (240 against 90) to 75 full-time equivalents (165 against 90).

Task 1d:

Measure	Which firm is bigger, Tidewell or Aquaflow?
Number of employees	Tidewell (240 against 90)
Sales revenue	Aquaflow (£12.0m against £9.6m)
Capital employed	Tidewell (£14.4m against £10.8m)
Market share	Aquaflow (20% against 16%)

Task 1e: No. Tidewell is bigger on two measures and Aquaflow on the other two, so neither is clearly the bigger firm.

Task 2a: Underlying revenue: $12.0 - 1.5 = £10.5m$. Market share: $10.5 / 60 \times 100 = 17.5\%$.

Task 2b: No. Aquaflow is still bigger on sales revenue (£10.5m against £9.6m), but its lead falls from £2.4m to £0.9m, and its market share lead from 4 to 1.5 points.

Answers: Task 3

Task 3: the ticks are shown as "tick". Each limit is written to belong to one measure, but accept a different tick with a reason, for example limit 5 (automation) can also be argued for capital employed.

Limit of the measure	Employees	Sales revenue	Capital employed	Market share
1. A worker who works 20 hours a week counts as one employee, the same as a worker who works 40.	tick			
2. A one-off contract raises it for one year only.		tick		
3. A firm that owns its site has more of it than a firm that rents, even if both have the same sales.			tick	
4. It depends on how the market is defined: a narrow market makes a firm look bigger.				tick
5. A firm with automated machines can sell a lot with few workers.	tick			
6. Assets are recorded at values that can be years out of date, so it may not show what the firm is worth today.			tick	
7. A price rise increases it even when the firm sells the same amount.		tick		
8. It falls when a firm's sales rise but its market grows faster.				tick

Task 3b, for example: Sales revenue, because it can be compared across every industry. Market share cannot be used, because a laundry and a shipyard sell in different markets. Also accept number of employees with a limit named (it counts part-timers and automated firms badly).

Answers: Task 4

Task 4: codes. A large firm can gain lower costs per unit from buying in bulk and from capacity (statements 3 and 6) but can suffer from slow communication and weaker relationships between managers and staff (statements 2 and 8). A small firm gives personal service and flexibility (1 and 5) but depends on few customers and finds it harder to raise finance (4 and 7).

Statement	Code
1. Kittiwake's owner knows every hotel manager by name and changes a delivery time on the same day.	SA
2. Aquaflow's supervisors know few of its 90 employees by name, and 30% of them leave each year.	LD
3. Aquaflow buys detergent in large quantities and pays 20% less per litre than Kittiwake.	LA
4. One hotel buys 25% of Kittiwake's sales, so losing that hotel is a serious blow.	SD
5. Kittiwake's owner can start a new hand-finished linen service within a week without asking anyone.	SA
6. Aquaflow can bid for a contract from a 40-hotel group because it washes 30 tonnes a day. Kittiwake washes 2.	LA
7. Kittiwake finds it hard to borrow for a new washing machine because it has few assets.	SD
8. At Aquaflow an order passes through four people before a decision is made.	LD

Task 4b, for example: A hotel might choose Kittiwake because its owner knows the hotel manager and changes a delivery time the same day. It might choose Aquaflow because it washes 30 tonnes a day, so it can serve a large hotel group. Also accept: a small hotel may value flexibility; a large group may need Aquaflow's capacity.

Answers: Task 5 and exit ticket

Task 5 (indicative guidance): a well supported answer uses figures from at least two measures, notices that the answer depends on the measure, chooses a measure for a stated reason, and ends with a judgement about whether being bigger makes Aquaflow the better choice. Example response (not a mark scheme): The claim is only partly true. Aquaflow is bigger on sales revenue (£12.0m against £9.6m) and market share (20% against 16%). Tidewell is bigger on employees (240 against 90) and capital employed (£14.4m against £10.8m). Aquaflow's revenue also includes a £1.5m one-off contract, so its underlying lead is only £0.9m. The Council should trust sales revenue most, because both firms sell the same service and revenue shows what customers pay. For a 40-hotel group, being bigger does make Aquaflow the better choice, because it washes 30 tonnes a day, against 2 at Kittiwake. A small hotel may still prefer Kittiwake's personal service.

Accept other judgements if they use correct figures and give a reason, for example that Kittiwake is the better choice for a small hotel. A learner who spots that the £1.5m one-off contract inflates revenue is showing the evaluation this task asks for. Do not award a grade or percentage from these tasks.

Answers: exit ticket

a. $1.2 / 80 \times 100 = 1.5\%$. b. Kittiwake sells more (revenue is up £0.3m), but its market share is still 1.5%, because the market grew by the same proportion. It is bigger in revenue, not compared with its competitors.

Sources and limits

Curriculum source: Cambridge International AS & A Level Business (9609) syllabus for exams in 2026, 2027 and 2028, version 2, section 1.3 (printed page 14). The syllabus verifies the topic scope only. The tasks, figures, timings and guidance are original TBS teaching design.

Limits: section 1.3.1 has one bullet and does not list the measures or require calculations, so the calculations are a teaching device. Section 1.3.2 also lists family businesses, the importance of small businesses in the economy and their role in the industrial structure; this lesson does not cover them, or business growth (1.3.3). Full-time equivalent is not named in the syllabus. Task 4 also asks about large firms, which goes a little beyond the small-business wording of 1.3.2.