

A Level Business Unit 1: What is Business?

Task 1: Carrying out effective Independent Research

Please conduct some independent research and answer the following questions:

1. Explain one reason for businesses to exist, providing a specific example (4 marks)
2. What does the term 'mission' mean for a business? (3 marks)
3. What are business objectives? (4 marks)
4. Explain the relationship between mission and objectives (4 marks)
5. Provide an example of a real-life business's mission statement and aims and objectives

Task 2: Extracting key information from source material and application of knowledge

- Using the handout provided, complete the timeline to show key events in the development of Facebook between 2004 and 2014
- Conduct additional research to add further significant events to the timeline for the period 2014 and 2019
- Based on your research, complete a paragraph entitled "***Mark Zuckerberg is a successful entrepreneur because.....***"

Hand in date: September 2020

A brief history of Facebook

Facebook, which launched back in 2004 as a dorm room project of Mark Zuckerberg, Eduardo Saverin, Chris Hughes, and Dustin Moskovitz, turns 10 years old today. *Inc.* has been following the social networking giant every step of the way. Here, in honor of Facebook's big double-digit birthday, we've decided to take a look back at 10 of the biggest moments in the company's history.



2006: Wunderkind Mark Zuckerberg makes *Inc.*'s 30 Under 30 in 2006.

At the time, Facebook was just two years old and had already attracted 7 million users at high schools and universities. But while Facebook had a hold on some 80 percent of the student social networking market, expanding to the general public and to businesses was not yet in the playbook. Instead, Zuckerberg said at the time he was looking to build out social networks for other narrow demographics, like the military. "We don't think of ourselves as a college network," he said at the time. "It's a utility to increase information flows, where you can express yourself and meet the people around you."

2006: Facebook turns down \$1 billion acquisition offer from Yahoo.

These days, you're not a true Silicon Valley star unless you've turned down a billion (or multi-billion) dollar offer. But Facebook certainly played a part in setting the trend when Zuckerberg boldly rebuffed a \$1 billion offer from Yahoo. As Peter Thiel, a Facebook board member, explained on stage at South by Southwest in 2013, Zuckerberg was resistant to the idea from the outset. Thiel recalled the young founder saying, "I don't know what I could do with the money. I'd just start another social networking site. I kind of like the one I already have."

2010: Changes to Facebook's [privacy settings](#) inspire a major backlash from users.

Remember the supposed Facebook diaspora? You know, that period of time back in 2010 when we were all going to quit Facebook, because it dared to change its privacy settings? It was the beginning of more targeted advertising, and the changes enabled third-party sites to access Facebook user data--unless, of course, users sifted through the site's complex new privacy settings and blocked third-party sites from accessing their data. The backlash from users was mighty, but in the long run, few of them actually fled.

2010: The [Like button](#) is introduced.

It's hard to remember a time when the ubiquitous Like button didn't exist, but back in 2010, it was a novel concept. It was also a major advance in terms of the way brands and businesses

would come to use Facebook in the future. Rather than simply communicating with users who visited their own Facebook pages, brands could now study data about user behavior and capitalize on their perceived interests. "This technology will help brands grow their Facebook connections rapidly by turning visitors to their Web sites into viral engines," Mike Lazerow, CEO of social marketing company Buddy Media, told the *San Francisco Chronicle* at the time.

2012: Facebook acquires Instagram for (around) \$1 billion.

Inc. dubbed it the [deal of the year](#). Instagram was just about two years old, had never earned a penny of revenue, and yet, Facebook anticipated what a major opportunity (read: threat) it could be in the future. "For years, we've focused on building the best experience for sharing photos with your friends and family," Zuckerberg wrote on his [Facebook page](#) at the time. "Now, we'll be able to work even more closely with the Instagram team to also offer the best experiences for sharing beautiful mobile photos with people based on your interests."

2012: Facebook pulls off the [biggest tech IPO](#) in history.

It looked like a huge success... at least at first. Raising \$16 billion in its public offering, Facebook overtook Google, becoming the tech company with the largest IPO in history. But then...

2012: Facebook's stock price takes a [nosedive](#) over the following days.

After its successful IPO, Facebook's share price precipitously fell for days and weeks on end. A highly publicized trading glitch reported by Nasdaq complicated matters, causing a delay in trading, and a slew of botched orders afterward. Many called it a fiasco, and one anonymous source told *The Wall Street Journal* that even Zuckerberg admitted watching the stock price fall over the ensuing months was "painful" to watch.

2012: Facebook's [first earnings report](#) just barely beats investor expectations.

It was a sliver of light at the end of a long, dark tunnel. In its first public earnings report following the botched IPO, Facebook reported \$1.18 billion in revenue, just slightly higher than the \$1.15 billion predicted by analysts. And yet, it wasn't enough to calm investors' nerves after the IPO debacle, and shares of Facebook stock continued to fall. By September, they hit an all-time low of \$17.55.

2014: With [mobile engagement up](#), Facebook's future looks bright.

Throughout 2013, Facebook shares continued to rebound on the back of the company's successful mobile strategy. In its fourth quarter, Facebook saw a 63 percent increase in revenue, with more than half of its \$2.6 billion in Q4 revenue coming from mobile advertising on smartphones, iPads, and other mobile devices. Facebook shares hit an all-time high after the report. A very happy birthday, indeed.

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