GCSE

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3510U10-1

$\frac{gross}{total\ rev} \times 100$

$\frac{net}{total\ rev} \times 100$

THURSDAY, 18 MAY 2023 – AFTERNOON

BUSINESS

Unit 1: Business World

2 hours

Total rev ÷ contrib

(

For Examiner's use only		
Question	Maximum Mark	Mark Awarded
1.	2	
2.	2	
3.	4	
4.	6	
5.	2	
6.	4	
7.	20	
8.	20	
9.	20	
10.	20	
Total	100	

ADDITIONAL MATERIALS

A calculator.

INSTRUCTIONS TO CANDIDATES

Use black ink or black ball-point pen. Do not use gel pen or correction fluid.

You may use a pencil for graphs and diagrams only.

Write your name, centre number and candidate number in the spaces at the top of this page.

Answer **all** questions.

Write your answers in the spaces provided in this booklet. Additional space is provided for some questions within the booklet (if required). If further space is required for any question, use the additional page(s) at the back of the booklet, taking care to number the question(s) correctly.

INFORMATION FOR CANDIDATES

The number of marks is given in brackets at the end of each question or part-question. You are advised to divide your time accordingly.

The total number of marks available is 100.

You are reminded of the need for good English and orderly, clear presentation in your answers.

LE*(S23-3510U10-1)

Answer **all** the questions in the space provided.

1. Identify which **two** of the following are characteristics of Public Limited Companies (PLCs). [2]

Tick (✓) **two** boxes only.

Owned by the government	✓	Unlimited liability	✓
Minimum of 2 owners		Shares are sold on the stock exchange	

2. Identify which **two** of the following are advantages of international trade to UK businesses. [2]

Tick (✓) **two** boxes only.

High transportation costs		Increased sales	✓
New markets	✓	Language barriers	

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3. Below are a number of business terms and phrases.

| Job | Turnover | Profit and loss account |

| Cost of sales | | Flow (Mass) |

| Quantitative data | Cash-flow forecast | Qualitative data |

Identify which of the terms above best describes each of the following:

(a) The method of production that produces many identical items. [1]

Flow (mass)

(b) The money a business makes from sales. [1]

Turnover

(c) Information that is numerical and often shown in graphs or tables. [1]

Profit and loss account

(d) A prediction of the money going in and out of a business over a period of time. [1]

Cash - flow forecast

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Turn over.

4. Bertie's Berry Crunch is a breakfast cereal that is only sold in UK supermarkets. It has been available since 2011. Due to the quality of the ingredients, Bertie's Berry Crunch is sold at a high price. The graph below shows the product life-cycle of Bertie's Berry Crunch.

(a) Using the graph above, identify which stage of the product life-cycle Bertie's Berry Crunch is in during;

    (i) 2015: growth [1]

    (ii) 2021: decline [1]

(b) Outline **two** extension strategies that Bertie's Berry Crunch could adopt to improve sales. [4]

    1. Bertie's Berry clunch Can improve the cereal by Possibly ~~cleating~~ cleating a new flavour of the cereal leading more Sales and Profit

    2. another way that Berry clunch can improve Sales is exPanding to a global not Just national Scales meaning that this will open new markets

5. State **two** resources needed to produce goods or services. [2]

   1. ~~Manuffacte manuffater~~ manufactuer

    2.

6. Saundersfoot Sheds, based in Pembrokeshire, is a business that designs and builds garden sheds for its customers. The business has one shop in Saundersfoot and will only deliver in Pembrokeshire.

(a) Identify which **one** of the following best describes the scale of operation of Saundersfoot Sheds. [1]

Tick (✓) **one** box only.

Local	✓
National	
Global	

Below is a graph showing the number of sheds sold per month by Saundersfoot Sheds.

Number of sheds sold per month by Saundersfoot Sheds
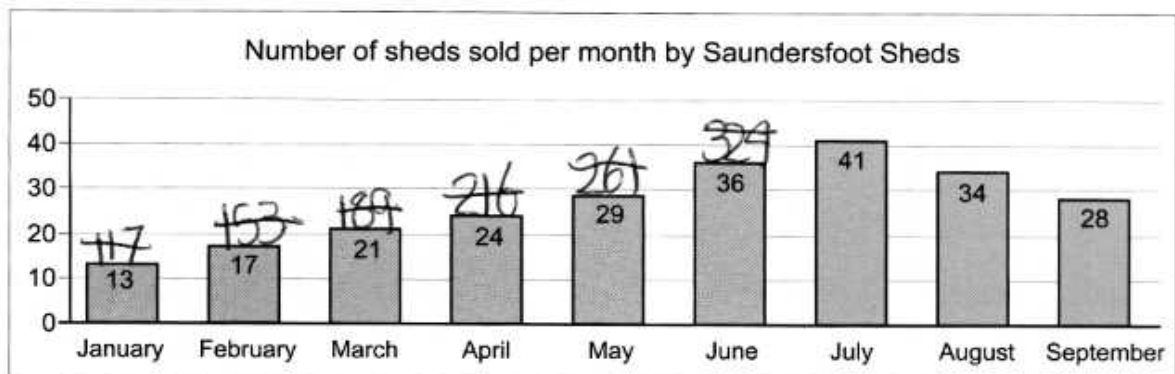
(b) (i) Describe the trend of sales for Saundersfoot Sheds shown in the graph above. [1]

the trend of Sales is that demand of sheds increase during Summer

Saundersfoot Sheds has earned £75330 revenue from the sales of sheds from January to September.

(ii) Calculate the average selling price per shed. [2]

13 + 17 + 21 + 29 + 29 + 36 + 41 + 34 + 28 ÷ 9
= £27

the average shed was £27

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7. Jane Miller is a fitness instructor in a gym called Fit and Healthy in Llanelli, Wales. Jane has worked at Fit and Healthy Gym since it opened in 2012 but she hopes to start up her own gym in the local area in the near future. Jane is aware of the risks and rewards of starting up a business.

(a) Suggest and explain **one** risk and **one** reward to entrepreneurs of starting a business. [4]

Risk: it Janes gym is not able to make enough money for her gym ~~she~~ to break even or even make a Profit due to it being a Small local area with not many customers then She at risk of a loss of money

Reward: however if Janes gym were to bring in a large Profit She firstly would keep all the Profits to herself and could start to complete in the gym market / Business environment

If Jane was to start-up a business she would be able to get help and advice from different organisations.

(b) Name **one** organisation that may help an entrepreneur start-up a business. [1]

~~mergers~~ mergers

Jane has been looking into sites where she may wish to set up her gym. Jane is aware of an empty unit that is available to rent in the same retail park as Fit and Healthy Gym, where she currently works. A plan of the retail park is shown below.

| Pets at Home | TK Maxx | Sports Direct | Empty Unit | Costa Coffee |

Car Park

Fit and Healthy Gym

Bus Stop and Taxis

Tesco Superstore (Open 24 Hours)

Delivery Area

Main Road to Llanelli Town Centre (1 mile away)

SamH

(c) With specific reference to the retail park plan, analyse the suitability of the selected site for Jane to set up a gym. [6]

Firstly, it would be unlikely that Janes gym or should be at this selected site because of her rival competitor fit and healthy gym which is the is firstly bigger than Janes unit but when customers arrive it's the first bigger and flashier gym they see meaning that they would automatically draw their attention

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Turn over.

to fit and healthy gym however Jane
could maybe advertise her gym at
the entrance with a cheaper cost leading
to more customers. also an positive
for Jane is that the unit next
to her is sports direct which she
could possibly pitch the idea of

Additional space for Question 7(c) only:

merging together meaning that both
sports direct and Janes gym get
more customers leading to more
profit.

Jane has carried out market research to help identify and understand her potential customers.

(d) Suggest a reason why it is important for a business to identify and understand its potential customers. [1]

to find customers needs in the
market / what will increase profit

After much consideration, Jane has decided to quit her job and borrow £50 000 from the bank to set up a new gym in the retail park in Llanelli. Jane has been approached by co-workers and friends about setting up the business with them rather than by herself. Jane feels that the business has a good chance of succeeding and is unsure as to which type of ownership she should choose for her new business.

Sam H

(e) Advise Jane as to which type of business ownership she should choose to set up the gym. [8]

I would advise Jane to create
a private limited company as
I believe that this would
help the businesses start up because

the multiple owners throughout the business
can invest a lot more money
into the business than one Person
however if one of her friends were
to invest more than Jane they
would require a higher Percentage
of the total Profit which is
why ~~it~~ being a Private limited Company
is good however, Jane could also
Consider being a Sole trader as
She could become her own boss,
work her own hours and earn
all Profits to herself and if the
~~busi~~ gym Succeeds a Possibility of
a takeover however a Sole trader
has unlimited liability Which means

Additional space for Question 7(e) only:

Which means if Jane is not able
to make Profit and give back
£50,000 to the bank then the
bank has the right to any
of her Possesions like, house, car
boat.

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8. Aberavon Car Centre is a used car sales business that has been open for more than 45 years. It is a small-scale car business with only one showroom and two owners, who are also the only workers. Aberavon Car Centre is based in Port Talbot, South Wales and sells used cars in a range of makes and models. The cars the business sells are all under 5 years old and the average price is £15 000 per car. The business slogan is "The home of quality cars".

(a) Describe what Aberavon Car Centre customers expect from a quality car. [1]

a car under 5 years old

(b) Identify **one** way a business achieves quality. [1]

a Consistently good standard of the car / Product

Samir

(c) Describe how Aberavon Car Centre could use Information Technology (IT) packages to help in its workplace. [4]

Aberavon Car centre Could use (IT) to Promote or advertise their business in the online market as Some customers may look/Search for their ideal car but may live further away this means the car centre Would be Promoting outside of aberavon to a national scale leading to more customers and a recognizable brand.

(d) (i) Identify **two** stages in the sales process. [2]

1. Prospect
2. nurturing

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(ii) Describe how the sales process is used by Aberavon Car Centre to sell high value products. **[2]**

Aberavon Car centre Uses the Sales Process to introduce and Pitch the Car to the customer to Convince them then after they have Closed the deal they do nurturing to See if they Can get the customer

Aberavon Car Centre has many competitors, for example other small-scale used car retailers and large-scale car retailers such as Trade Centre Wales. Trade Centre Wales has five large showrooms, employs over 500 people and made profits of over £20.4 million in 2019.

(e) Discuss the pricing strategies that Aberavon Car Centre might use to increase sales. **[10]**

· Skim.
· Penetration

Sam H

due to aberavon car centre being a relatively Small business i think that they Should use Penetration Pricing because this would Consists of Selling low and receiving mass Products Sold, in aberavon car centres case they Would Sell cars at a low Price and increase Sales this could also lead to a increase in returning and loyal Customers as they might believe they are receiving the best deal Possible Compared to other Competitors however if this techn Strategy

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Strategy does not work out it could lead to a decrease in total revenue or Profit, another strategy Aberavon could use is skimming which is the opposite to Penetration where the cars would be sold at a higher Price and have something unique to them or more luxurious meaning that it could attract high end customers and increase the

Additional space for Question 8(e) only:

economies of scale where as the business gets bigger the cost of everything decreases leading to the aberavon car centre being able to exPand more with the Profit

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9. Seaside Sweets is a small traditional sweet shop in Bangor, North Wales. Seaside Sweets is owned by Rashid Khan, a sole trader, who currently employs two part-time workers to help him out during busy times. Below is a monthly break-even chart for Seaside Sweets.

Seaside Sweets' monthly break-even chart
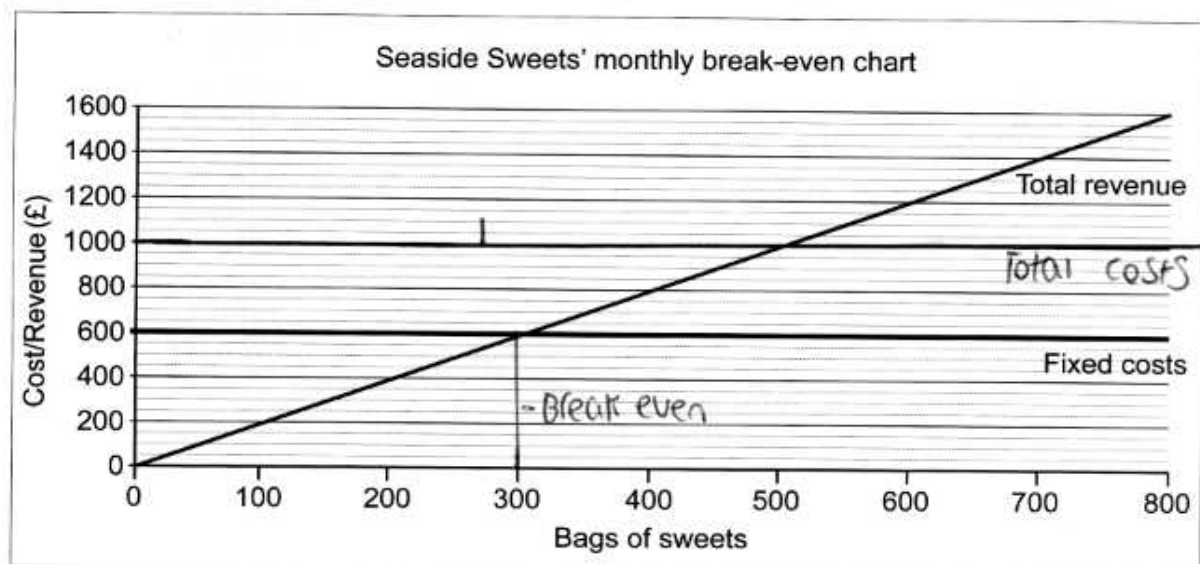
Seaside Sweets currently pays its supplier £1 per bag.

Total rev - fixed C =

(a) On the break-even chart above, draw the **total cost** line for Seaside Sweets. [2]

(b) Identify how many bags of sweets Seaside Sweets must sell to break-even. [1]

300

The supplier for Seaside Sweets is increasing the cost from £1 per bag to £1.50 per bag.

(c) Identify the impact that the change in costs may have on Seaside Sweets. [1]

a possible increase or decrease in total revenue depending on the customer

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Turn over.

One of the part-time workers has decided to leave the sweet shop, so Rashid will need to recruit a new worker to fill the vacancy at Seaside Sweets. The worker will be expected to serve customers and re-stock shelves.

Job description
Characteristics

(d) Explain how Rashid may use the recruitment process to help him employ a new *CV required*
part-time worker. [6]

Firstly Rashid would need to create a Job description requiring; the role of the Job, Where it will be based, the hours that will be worked, and the x amount the employee will be payed at the Job and lastly the characteristics that could be required. After that Rashid can Post the Job description onto the Job centre or linked in for employees to discover and ask for CVs so that he can find someone with everything needed for the Job, then gather up the candidates for the Job and begin to interview. Then finally hire the most suitable person for the Job

Additional space for Question 9(d) only:

Rashid has selected a new part-time worker. The new worker will need to be trained.

(e) With reference to Seaside Sweets, outline **one** suitable method that Rashid might use to train his new part-time worker. [2]

on the Job training as it is an easy straight foward skill to learn and can be taught whilst keeping the business.

Rashid is unsure as to whether he should try to grow his business or to remain small.

(f) Assess the reasons why Rashid might grow the business or choose to remain small. [8]

If Rashid were to grow the business he would first be able to grow seaside sweets on a national scale but then possibly go to a global scale by not only achieving an increase in economies of scale but also the opportunities to open foreign markets in the world meaning that rashid could turn seaside sweets into a big franchise like mcdonalds and have lots of different franchises throughout the world meaning that the business brand is more recognisable and is globalised leading to more profits and total sales throughout the world and if the business

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is that big a Possible oportunity of a takeover. However if seaside sweets does not succeed then Rashid could go into dett and lose all Profit gained

Additional space for Question 9(f) only:

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Examiner
only

10. Beds UK sells beds and mattresses across the UK. Beds UK has shops in Cardiff (Wales), Birmingham (England), Manchester (England) and Edinburgh (Scotland) and its head office is in London (England). Each shop has a manager and its own sales team to try to make sales to the public. Beds UK only distributes its products from its shops.

(a) The position of a manager is an important job role in a business. Identify **one** characteristic of a managerial job role. [1]

leadership

Beds UK has a regional (geographical) organisation structure shown in the diagram below:

> **Beds UK**
> Head Office (London)

Cardiff Shop	Birmingham Shop	Manchester Shop	Edinburgh Shop

(b) With reference to the organisation structure shown above, describe **one** problem with the type of organisational structure used by Beds UK. [2]

the ~~Bus~~ Beds UK Should exland to more Shops in the Specific area not Just one

Jasper is part of the sales team at the Cardiff shop for Beds UK and earns 12% commission on any sales he makes.

,2% = ~~45.4~~ 97.8

(c) Jasper sells products to the value of £4 890 in a month. Calculate how much commission he earns, in that month. [1]

489 + 97.8 = 586.8

Commission is an example of a financial method of motivation.

(d) Identify **two** benefits to a business of a motivated workforce. [2]

1. Best Customer Satisfaction
2. Willing to Work

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Below are the profit and loss accounts for Beds UK for 2021 and 2022.

Profit and Loss Accounts 2021–2022

	2021	2022
Sales	✓ £5 020 100	£4 800 000 ✗
Cost of Sales	✓ £2 008 040 ↓	↑ £2 160 000 ✗
Gross Profit	✓ £3 012 060 ↑	↓ £2 640 000 ✗
Rent	✓ £520 000 ↓	↑ £535 000 ✗
Business Rates	✓ £234 000	£240 750 ✗
Wages (Salary and Commission)	✗ £1 712 412	£1 686 000 ✓
Other Expenses	✓ £43 056	£45 100 ✗
Total Expenses	✗ £2 509 468	£2 506 850 ✓
Net Profit	✓ £502 592	£133 150 ✗

(e) Analyse the financial performance of Beds UK over the two years. [4]

Overall I believe that 2021 was the more successful year than 2022 and as a they had the difference in net profit was £369442 and around £220100 more in Sales in 2021 however they were able to spend £26,412 less in wages the year after maybe this was due to beds not expanding after the year 2021.

Beds UK has decided to close the Edinburgh (Scotland) shop. This decision will affect stakeholders such as the owners, the workers, customers and suppliers.

ScmH

(f) Consider how stakeholders may be affected by the decision to close the Edinburgh shop.

[10]

Stakeholders are affected by this because firstly the workers throughout Beds UK will be left without a Job and Pay meaning that they will have to find a Job in a new company as there is only Shop in Scotland, this also affects the Customers who Shop and Purchase their Products at beds as once again there is only one shop throughout Scotland which means an further Havel to reach a new Beds UK store meaning that Beds UK will have a decrease in customers leading to less Profits. And as for the Suppliers they will lose revenue and Profit as they will have a lot of Wasted Stock.

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Turn over.

Additional space for Question **10**(f) only:

END OF PAPER

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Question number	Additional page, if required. Write the question number(s) in the left-hand margin.	Examiner only
8ii	to Possibly return to the business or buy more cars/Products	

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Turn over.

Question number	Additional page, if required. Write the question number(s) in the left-hand margin.	Examiner only

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