



GCSE

3510U10-1



S23-3510U10-1

**THURSDAY, 18 MAY 2023 – AFTERNOON**

**BUSINESS**

**Unit 1: Business World**

2 hours

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	
<b>Total</b>	<b>100</b>	

**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.



JUN233510U10101

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	



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]

Revenue Turnover

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

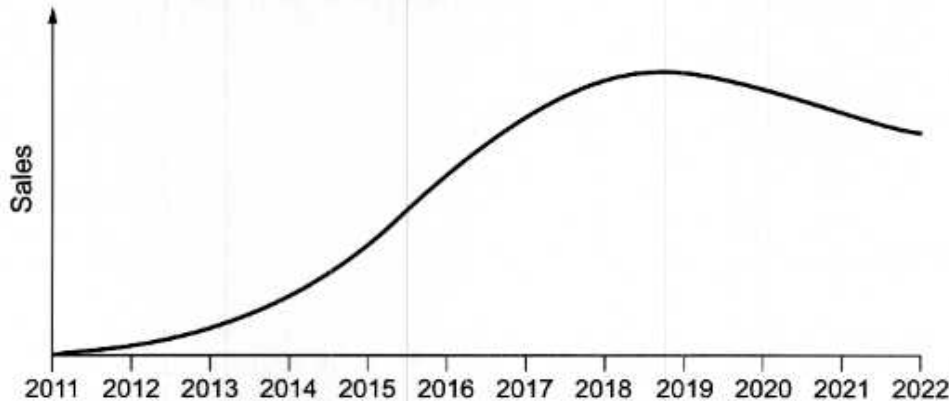
Quantitative Quantitative data

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

Cash-flow forecast



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: Maturity [1]  
 (ii) 2021: Dedine [1]

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

1. Bertie's Berry Crunch could introduce a new flavour to attract customer attention again.

2. They could make offers on their boxes for in-store rewards such as 'Buy 1 get 1 free'

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

1. Storage location

2. \_\_\_\_\_



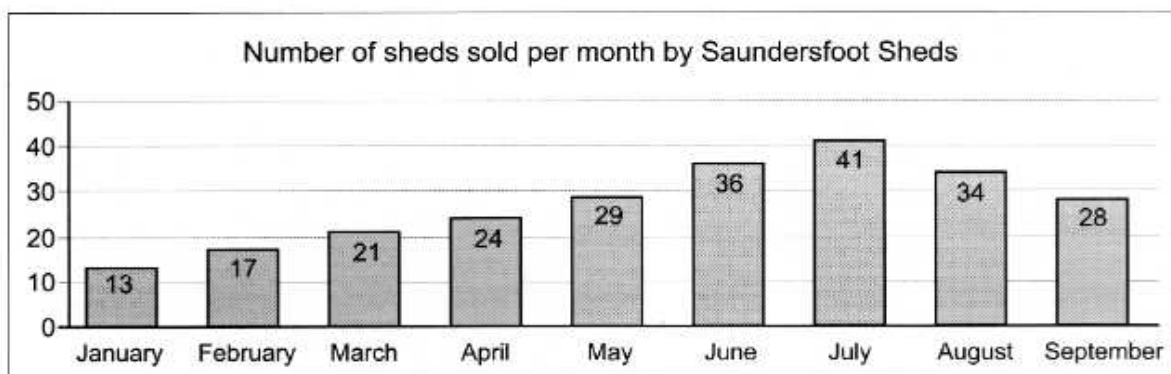
6. Saundersfoot Sheds, based in Pembrokeshire, is a business that designs and builds garden sheds for its customers. The business has one shop in Saundersfoot and will only deliver in Pembrokeshire.

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

Tick (✓) **one** box only.

Local	<input checked="" type="checkbox"/>
National	<input type="checkbox"/>
Global	<input type="checkbox"/>

Below is a graph showing the 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]

Saundersfoot Sheds sales increase during summer then decline during ~~autumn~~ winter.

Saundersfoot Sheds has earned £75 330 revenue from the sales of sheds from January to September.

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

243

$$\frac{75330}{243} = 310$$

£310



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: The business may never get traction and it could fail, resulting in the business never getting going

Reward: The business could end up taking off, surpassing the existing businesses and making a profit

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

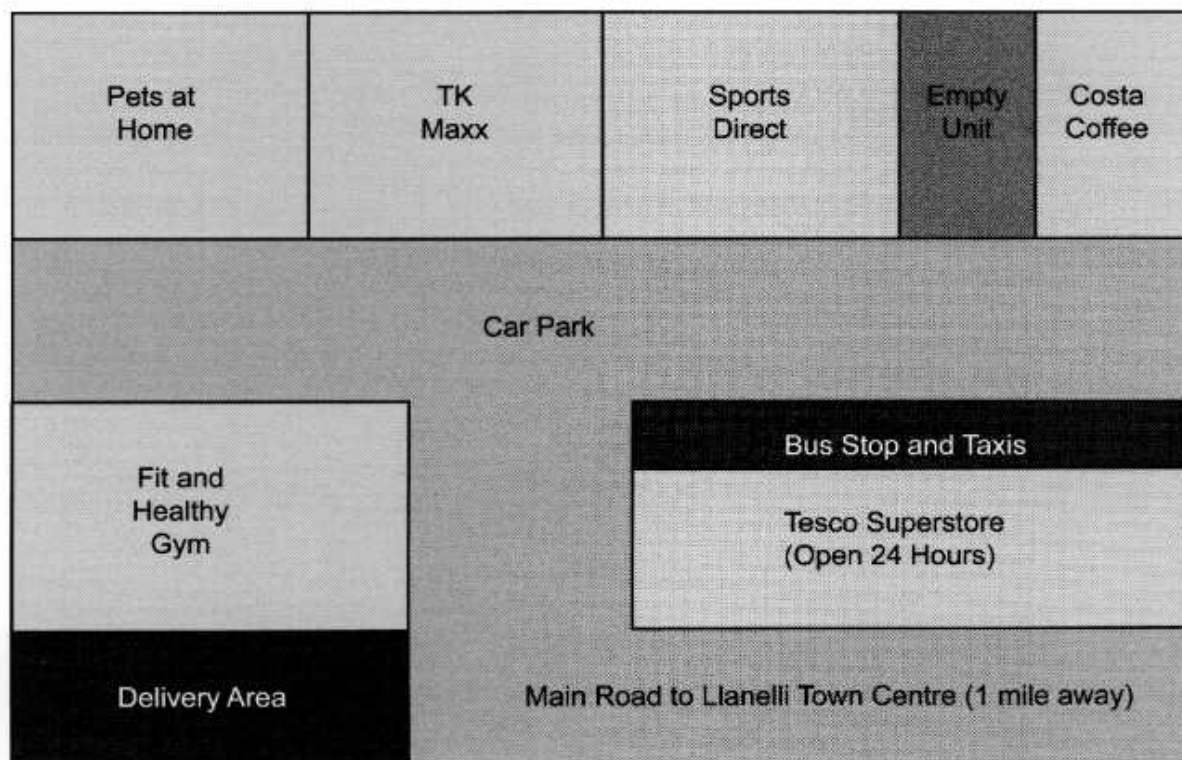
(b) Name **one** organisation that may help an entrepreneur start-up a business.

[1]

~~Bannatyne~~ Bannatyne Gyms



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.



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

The empty unit is a suitable place for Jane to set up her gym because the unit is in a retail park, where she is most likely to be seen by people just walking and passing through the retail park. It is across the park from competitors however, and this could be a problem. Being near a bus stop could prove to be a





useful benefit to the location of the empty unit.

Additional space for Question 7(c) only:

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]

So the business can tailor products and advertisement to customers.

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.

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

[8]

Jane says she has a feeling that the business will do well, but you can never be 100%. Partnering up with someone when starting up your





own business could help massively, as it shifts the pressure onto the backs of 2 people instead of 1. This could help massively with how smoothly the business can be run. It also halves the costs between 2 of you, saving yourself a bit of work and money when starting to have X up your business.

Additional space for Question 7(e) only:



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]

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

Quality Control

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

Instead of having to provide all the information themselves to customers, the 2 owners could save themselves quite a bit of work and use IT instead, then they can focus on running the business more.

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

1. Maturity
2. Peak



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

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.

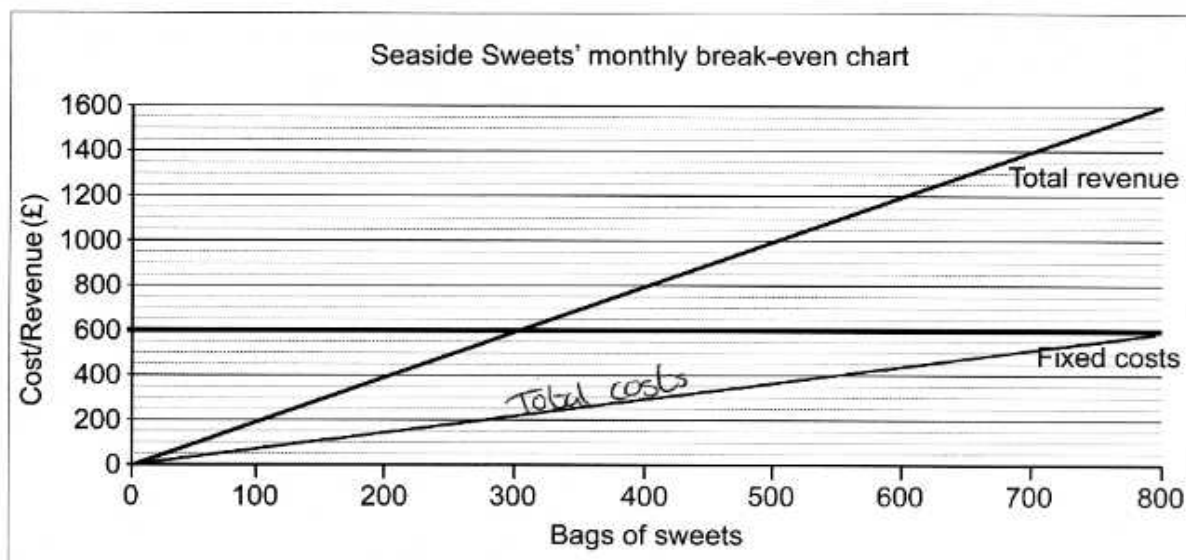
- (e) Discuss the pricing strategies that Aberavon Car Centre might use to increase sales. [10]

If Aberavon want to increase sales against the likes of Trade Centre Wales, then maybe they'll use competitive pricing to try and improve sales, and beat Trade Centre Wales' prices while doing this. Or, they could use discriminative pricing, like having cheaper cars for families or workers.





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 currently pays its supplier £1 per bag.

- (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]

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]

The change in costs may have a large impact on SS because they may not break-even.



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.

- (d) Explain how Rashid may use the recruitment process to help him employ a new part-time worker.

[6]

Rashid must create any ~~job~~ advertisements for the vacant job and share it around. He must set up any interviews with any applicants to see if they match the job description needed for Rashid's sweet shop. He'll need to review the CV's, if necessary, of the applicants to fully ensure that the applicants are fit for the job. After Rashid has chosen one, he will need to provide them with good training.

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]

Rashid could have the new worker on a trial shift before he starts properly under supervision of Rashid or someone else.

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 wishes to grow the business, he will need to understand the risks of doing this. Growing a business increases the liability whether it's limited or unlimited. Rashid would also need more staff, meaning a higher wage bill. He would need new property, new storage property and a steady and reliable supplier.





Additional space for Question 9(f) 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]

Being able to tell people where to be  
at the right time

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



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

[2]

There may not always be good communication  
between London Head Office and the  
4 shops beneath.

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

- (c) Jasper sells products to the value of £4890 in a month. Calculate how much commission he earns, in that month.

[1]

£586.80

Commission is an example of a financial method of motivation.

- (d) Identify **two** benefits to a business of a motivated workforce.

[2]

1. Efficient work
2. Happy customers



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]

BedsUK's financial performance in 2021 was much better than 2022, with 2021 making more profit and having higher sales. 2022 had a higher cost of sales despite these facts both though.



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

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

[10]

The closure of the Edinburgh shop could cost many people jobs, money and business. The workers of the Edinburgh shop are more than likely going to be made redundant by Beds UK and will have to search for jobs elsewhere.

The owners will now lose out on a lot of business and sales, resulting in a much worse cash-flow forecast for coming months. Customers of Edinburgh are going to have to shop elsewhere, meaning the owners are further affected again, because they've lost customers now to potential ~~competi~~ competitors. The suppliers of the Edinburgh shop are now losing out on business due to the closure, and this could affect them a lot depending on how much they supplied for Beds UK compared to others and also if Beds UK



Edinburgh was there only source  
of income.

Additional space for Question 10(f) only:

**END OF PAPER**



[illegible]

Examiner  
only



[illegible]



[illegible]

Examiner  
only



[illegible]