

Surname	Centre Number	Candidate Number
Other Names		0



GCSE – NEW

3510U10-1



S19-3510U10-1

FRIDAY, 24 MAY 2019 – MORNING

BUSINESS

Unit 1: Business World

2 hours

For Examiner's use only		
Question	Maximum Mark	Mark Awarded
1.	2	
2.	2	
3.	4	
4.	3	
5.	4	
6.	5	
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 pencil or gel pen. Do not use correction fluid.

Answer **ALL** questions.

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

Write your answers in the spaces provided in this booklet.

If you run out of space, 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.



MAY193510U10101

Answer all the questions in the space provided.

1. Identify which **two** of the following are examples of durable goods. [2]

Tick (✓) two boxes only.

Firework	1	Chair	2
Mobile phone	3	Chocolate bar	4

2. Identify which **two** of the following services are usually provided by the public sector in the UK. [2]

Tick (✓) two boxes only.

Telephone and Internet providers	1	Armed forces	2
Car repairs	3	Education	4



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

Logistics

Procurement

Internal growth

Maturity

Economies of scale

External growth

Launch

Customer service

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

(a) The term used to describe the buying of supplies for a manufacturing business. [1]

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(b) The stage of the product life cycle when the product is first available to buy. [1]

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(c) Increasing the size of the business through mergers and takeovers. [1]

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(d) Managing the movement of products through transportation, storage and security. [1]

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3510U101
03



4. Car manufacturers such as The Ford Motor Company develop and sell a wide variety of cars and other vehicles. For example they sell small and large cars, available in a range of colours, priced between £9795 to £300000 and sell different types of cars in the UK compared to the USA. This is because The Ford Motor Company uses market segmentation.

Identify **three** market segments The Ford Motor Company are likely to use. [3]

- 1.
- 2.
- 3.

5. Jet2.com is one of a number of airlines and holiday companies offering flights and accommodation to popular tourist destinations across Europe. Jet2.com is regularly ranked highly by customers for its excellent customer service.

(a) Describe why it is important for Jet2.com to provide high quality customer service. [2]

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Jet2.com uses sales promotions as part of its marketing strategy.

(b) Recommend **one** suitable sales promotion method for Jet2.com and explain how this may boost sales. [2]

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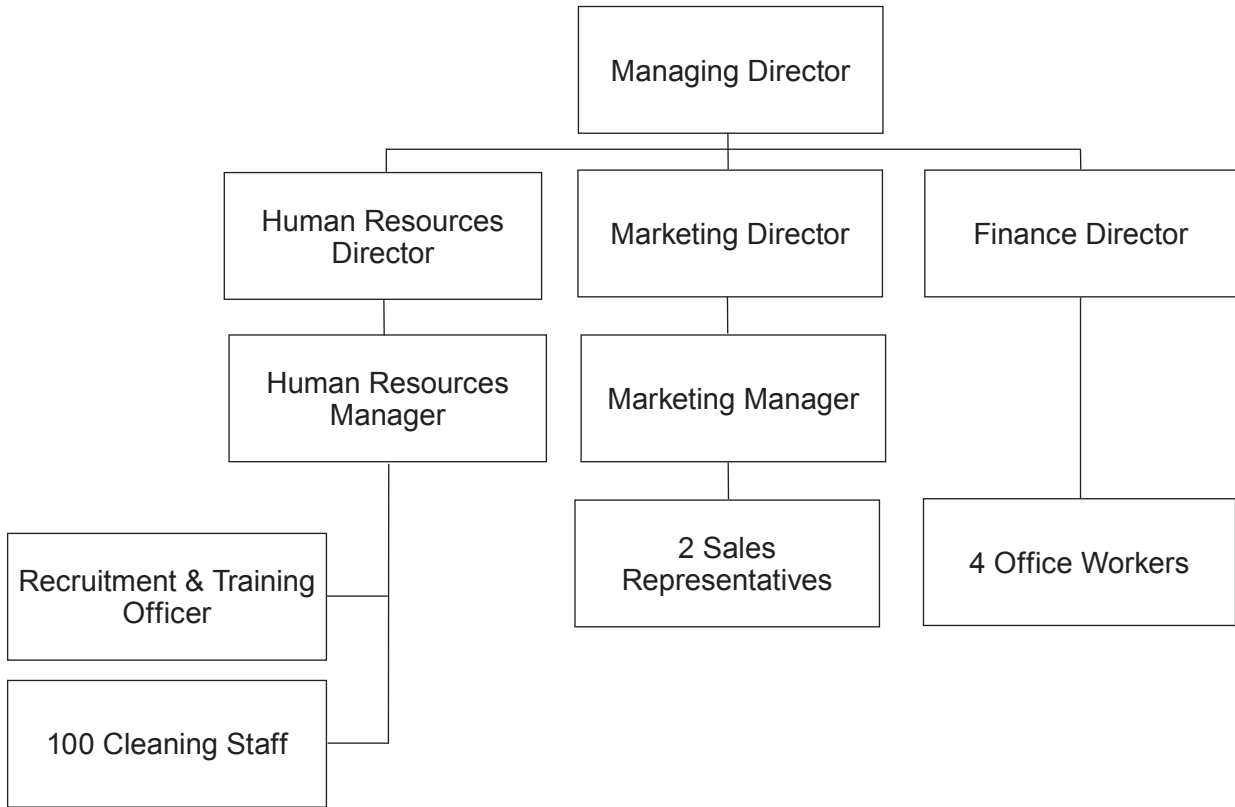
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3510U101
05



6. Maids-in-Wales is a cleaning company based in South Wales. It has a main office in Llanelli and offers cleaning services for both commercial and domestic properties.

Below is an organisational chart for Maids-in-Wales.



(a) Define the term span of control. [1]

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(b) From the organisation chart, identify the span of control of the Finance Director. [1]

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(c) From the organisational chart, name which director is responsible for the training of workers. [1]

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(d) Explain why an organisational chart, like the one opposite, is important to businesses such as Maids-in-Wales. [2]

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07



7. Belle’s Boutique is owned and run by Isabelle Davies, a sole trader in Colwyn Bay, North Wales. The business has only been open for one year and specialises in wedding dresses, bridesmaid dresses, prom outfits and women’s accessories. The business has been successful and Isabelle won ‘New Entrepreneur of the Year’ in the 2018 local business awards.

(a) Outline the role of an entrepreneur. [4]

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Due to the success of the business, Isabelle is looking to open a second shop.

(b) Describe **two** factors that Isabelle needs to consider before choosing a site for her new shop. [4]

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Isabelle has written a business plan and carried out market research.

- (c) Outline why market research is important to Isabelle Davies, the owner of Belle's Boutique. [2]

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- (d) Apart from market research, name **two** other pieces of information that Isabelle should include in her business plan. [2]

1.

2.

Isabelle believes part of her success is because she runs an ethical business. This includes using fairtrade suppliers and treating workers fairly.

- (e) Discuss the advantages and disadvantages to Belle's Boutique of being an ethical business. [8]

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8. The Crazy Cow is a small business in Swansea, selling luxurious milkshakes to the public. The Crazy Cow makes all its milkshakes in-store, to ensure the customers get the freshest possible products. The business is particularly popular amongst children, teens and young adults who enjoy the taste and presentation of the milkshakes. The owners of The Crazy Cow are keen to be successful and grow the business across South Wales.

(a) Apart from growth, state a business aim that The Crazy Cow may have. [1]

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(b) Suggest an example of a variable cost that The Crazy Cow may have. [1]

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The Crazy Cow is trying to calculate how many milkshakes it will need to sell in order to break even this year. It has the following information.

Fixed costs per year	£6 000
Variable cost per milkshake	£2
Selling price	£3.50

(c) State the formula for calculating break even. Using the formula, calculate how many milkshakes The Crazy Cow needs to sell to break even. [3]

Formula

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Workings

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The Crazy Cow has decided to change the supplier for its main ingredients for milkshakes.

(d) Analyse **one** impact that a change of supplier could have on a business like The Crazy Cow. [3]

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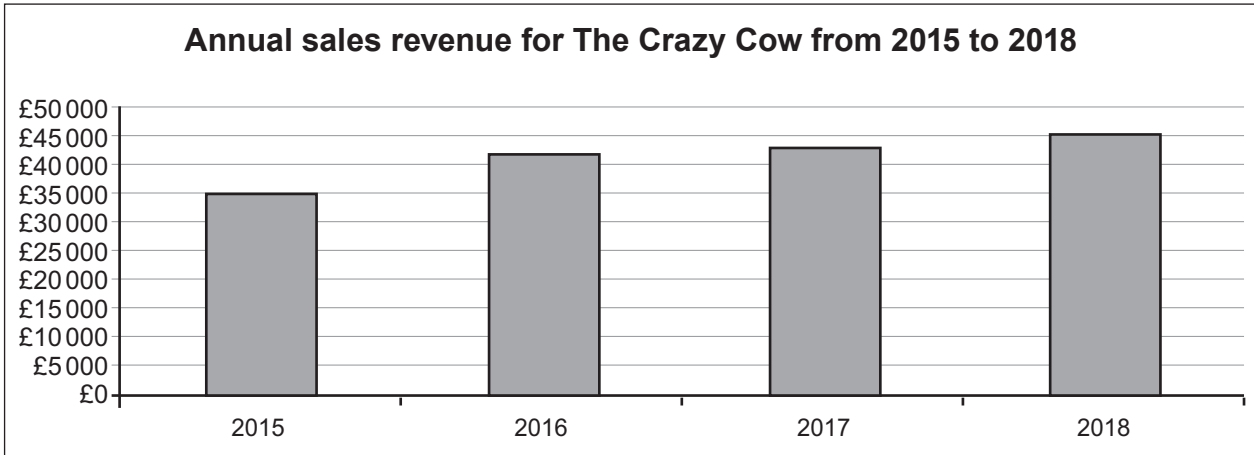
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The Crazy Cow has increased its sales revenue each year from 2015 to 2018. Below is a graph showing this increase in annual sales revenue.



(e) Using the data in the graph, calculate the percentage increase in annual sales revenue for The Crazy Cow between 2015 and 2018. (Show your workings) [2]

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The Crazy Cow is looking at ways to grow the business and has considered franchising.

(f) Advise The Crazy Cow on whether or not it should expand the business by becoming a franchisor. [10]

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9. Sound as a Pound Ltd is a business in North Wales that sells all its products for £1 each. It sells a wide range of products directly to the public including sweets, toys, household items and beauty products. It competes with national businesses like Poundworld, 99p Stores and Home Bargains. It has 6 stores across North Wales and employs over 100 people.

(a) Identify which of the following best describes Sound as a Pound Ltd. [1]

Tick (✓) **one** box only.

Wholesaler	
Manufacturer	
Retailer	

Sound as a Pound Ltd is a private limited company.

(b) Outline **one** advantage to Sound as a Pound Ltd of operating as a private limited company. [2]

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Sound as a Pound Ltd is opening three new stores and needs to recruit managers, shop assistants, delivery drivers and cleaners.

(c) Consider **two** appropriate media that Sound as a Pound Ltd could use to advertise the vacancies to ensure they recruit the right people. [6]

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2.

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After Sound as a Pound Ltd has finished the recruitment of its new workers, it needs to organise some training.

(d) With reference to Sound as a Pound Ltd, suggest why training new shop assistants is important. [3]

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Sound as a Pound Ltd realises the importance of having a well-motivated workforce.

(e) Evaluate how Sound as a Pound Ltd can motivate its workforce. [8]

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TURN OVER FOR QUESTION 10



10. Wilson McGregor PLC is a construction company specialising in building new homes in the UK.

The business needs to set itself SMART objectives to measure performance.

(a) Compose a possible SMART objective for Wilson McGregor PLC. [2]

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(b) Name **two** legal responsibilities that Wilson McGregor PLC has to its employees. [2]

1.

2.

Below is the profit and loss account for Wilson McGregor PLC for 2016 to 2018.

	2016	2017	2018
Sales revenue	£45 000 000	£50 000 000	£70 000 000
Cost of sales	£36 000 000	£38 000 000	£52 000 000
Gross profit	£9 000 000	£12 000 000	£18 000 000
Gross profit margin (GPM)		24%	26%
Rent	£1 000 000	£1 200 000	£1 600 000
Business rates	£500 000	£550 000	£700 000
Wages	£4 500 000	£6 000 000	£9 000 000
Other expenses	£1 000 000	£1 250 000	£1 700 000
Total expenses	£7 000 000	£9 000 000	£13 000 000
Net profit	£2 000 000	£3 000 000	
Net profit margin (NPM)	4%	6%	7%



- (c) (i) State the formula for gross profit margin (GPM). Use the formula to calculate Wilson McGregor PLC's gross profit margin in 2016. [2]

Formula:

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Calculation:

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- (ii) Calculate the net profit for Wilson McGregor PLC in 2018. [1]

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The sales process is very important to Wilson McGregor PLC to ensure it earns revenue.

- (d) Name **one** stage of the sales process. [1]

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Wilson McGregor PLC is affected by economic factors.

- (e) Explain how businesses such as Wilson McGregor PLC may have been affected by a rise in interest rates in the UK. [2]

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