

**Paper Reference 8BS0/02**  
**Pearson Edexcel**  
**Level 3 GCE**

<b>Total Marks</b>
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**Business**  
**Advanced Subsidiary**  
**Paper 2: Managing Business Activities**

**Thursday 23 May 2019 – Afternoon**

**Time: 1 hour 30 minutes plus your additional time allowance.**

**In the boxes below, write your name, centre number and candidate number.**

<b>Surname</b>					
<b>Other names</b>					
<b>Centre Number</b>					
<b>Candidate Number</b>					

**X58305A**

**You do not need any other materials.**

**YOU WILL BE GIVEN**

**Data Book**

**INSTRUCTIONS**

**Answer ALL questions.**

**Answer the questions in the spaces provided in this Question Paper or in the Data Book – there may be more space than you need.**

**INFORMATION**

**The total mark for this paper is 80**

**The marks for EACH question are shown in brackets – use this as a guide as to how much time to spend on each question.**

**You may use a calculator.**

**ADVICE**

**Read each question carefully before you start to answer it.**

**Try to answer every question.**

**Check your answers if you have time at the end.**

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**Answer ALL questions.**

**SECTION A**

**Read Extract A and Extract B in the Data Book before answering Question 1.**

**Write your answers in the spaces provided.**

1. (a) What is meant by flow production?  
(2 marks)

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(continued on the next page)

1. continued.

(b) What is meant by margin of safety?

(2 marks)

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(continued on the next page)

**1. continued.**

**(c) Using the information in Extract B, calculate the operating profit for Fevertree Drinks plc in 2016. You are advised to show your working.**

**(4 marks)**

**Answer lines continue on the next page.**

[illegible]

1. (c) continued.

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(continued on the next page)



**1. continued.**

**(d) Using the information in Extract B, calculate, to 2 decimal places, the profit for the year (net profit) margin for Fevertree Drinks plc in 2016. You are advised to show your working.**

**(4 marks)**

**Answer lines continue on the next page.**

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1. (d) continued.

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**1. continued.**

**(e) Assess TWO advantages to Fevertree Drinks plc of using share capital as a method of financing its future expansion.**

**(8 marks)**

**Answer lines continue on the next two pages.**

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**1. (e) continued.**

[illegible]

**Turn over**

**1. (e) continued.**

[illegible]

**(continued on the next page)**

**Turn over**

**1. continued.**

**(f) Assess whether a depreciation in the pound will allow Fevertree Drinks plc to increase its competitiveness.**

**(10 marks)**

**Answer lines continue on the next four pages.**

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**1. (f) continued.**

[illegible]

**1. (f) continued.**

[illegible]

**Turn over**



**1. (f) continued.**

[illegible]

**Turn over**

1. (f) continued.

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(Total for Question 1 = 30 marks)

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**TOTAL FOR SECTION A = 30 MARKS**

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**SECTION B**

**Read Extract C and Extract D in the Data Book before answering Question 2.**

**Write your answers in the spaces provided.**

2. (a) What is meant by working capital?  
(2 marks)

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2. continued.

(b) What is meant by stock?

(2 marks)

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(continued on the next page)

**2. continued.**

**(c) Explain the distinction between Brantano Ltd's cash and its profit.**

**(4 marks)**

**Answer lines continue on the next page.**

[illegible]

**Turn over**

2. (c) continued.

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(continued on the next page)

**2. continued.**

**(d) Using the data in Extract D, calculate, to 2 decimal places, the current ratio for Brantano Ltd. You are advised to show your working.**

**(4 marks)**

**Answer lines continue on the next page.**

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2. (d) continued.

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**2. continued.**

**(e) Assess TWO likely disadvantages to Brantano Ltd of relying on buffer stock to supply its shops.**

**(8 marks)**

**Answer lines continue on the next two pages.**

[illegible]

**2. (e) continued.**

[illegible]

**Turn over**

**2. (e) continued.**

[illegible]

**(continued on the next page)**

**Turn over**

**2. continued.**

**(f) Assess the extent to which increased economic uncertainty may have caused the failure of Brantano Ltd.**

**(10 marks)**

**Answer lines continue on the next four pages.**

[illegible]

**2. (f) continued.**

[illegible]

**Turn over**

**2. (f) continued.**

[illegible]

**Turn over**

**2. (f) continued.**

[illegible]

**Turn over**



2. (f) continued.

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(Total for Question 2 = 30 marks)

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**TOTAL FOR SECTION B = 30 MARKS**

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## **SECTION C**

**Read Extract E in the Data Book before answering Question 3.**

**Write your answer in the space provided.**

- 3. To increase its profits, Tesco could use competitive pricing or increase the amount of innovation within its stores.**

**Evaluate these TWO options and recommend which option Tesco should use to improve its profits.**

**(20 marks)**

**Answer lines continue on the next six pages.**

This image shows a blank sheet of white paper with horizontal black ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

**3. continued.**

[illegible]

**Turn over**

**3. continued.**

[illegible]

**Turn over**

**3. continued.**

[illegible]

**Turn over**

**3. continued.**

[illegible]

**Turn over**

**3. continued.**

[illegible]

**Turn over**



3. continued.

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(Total for Question 3 = 20 marks)

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**TOTAL FOR SECTION C = 20 MARKS**

**TOTAL FOR PAPER = 80 MARKS**

**END OF PAPER**

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