

Write your name here

Surname

Other names

Edexcel
Principal Learning

Centre Number

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Candidate Number

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Retail Business

Level 2

Unit 1: Exploring Retail

Thursday 12 January 2012 – Afternoon
Time: 1 hour 15 minutes

Paper Reference

RB201/01

You do not need any other materials.

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions.
- Answer the questions in the spaces provided – *there may be more space than you need.*

Information

- The total mark for this paper is 50.
- 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.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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PEARSON

Answer ALL questions.

Framz Ltd

Framz Ltd is a DIY retail business based in Yorkshire. The managing director (MD), Sylvia Ramsey, has become good friends with Wolfgang Netzer, the MD of a similar sized German DIY business with stores in Berlin and Stuttgart.

They have a similar view that all businesses should act ethically. They also take corporate and social responsibility seriously.

Wolfgang has said that he would like to participate in a new joint venture with *Framz Ltd* to open a store in Copenhagen, Denmark.



Answer questions 1(a) to 1(e) which relate to *Framz Ltd*.

1 (a) State **two** possible benefits to *Framz Ltd* of participating in a joint venture. (2)

1

2

(b) State **two** factors that should be considered by *Framz Ltd* before opening the joint venture store in Copenhagen. (2)

1

2

Before agreeing to the joint venture *Framz Ltd* were considering expanding into Europe through acquisition.

(c) Outline what is meant by the term **acquisition**. (2)

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(d) State **two** ways the new joint venture store could impact on the **local community**. (2)

1

2



(e) Outline **two** ethical issues that could be relevant to the joint venture.

(4)

1

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2

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(Total for Question 1 = 12 marks)



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Outdoor Gear Ltd

Outdoor Gear Ltd is a retail chain with 10 stores in the UK. It stocks an extensive range of outdoor clothing, climbing equipment and accessories. The sales staff are all under 25 years of age and almost entirely male. There are 75 male and 5 female members of staff.

The female staff find it difficult to be considered for promotion as male managers assume they do not have enough outdoor experience. This is not challenged by the management.

All human resource issues are dealt with by the administration manager who has been off work ill for over a year. Consequently, many staff have not received contracts of employment.



Outdoor Gear Ltd carry out annual staff appraisals.

(d) Describe **two** stages in the process of staff appraisals.

(4)

1

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2

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(Total for Question 2 = 12 marks)



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Kualfood plc

Kualfood plc is a large retail business based in the UK.

Kualfood plc operates 200 large, traditional retail supermarket outlets specialising in organic and healthy option foods.

Kualfood plc requires the support of specialist firms. It recently contracted specialist shopfitters to build new display areas for the dry goods in each of its stores.

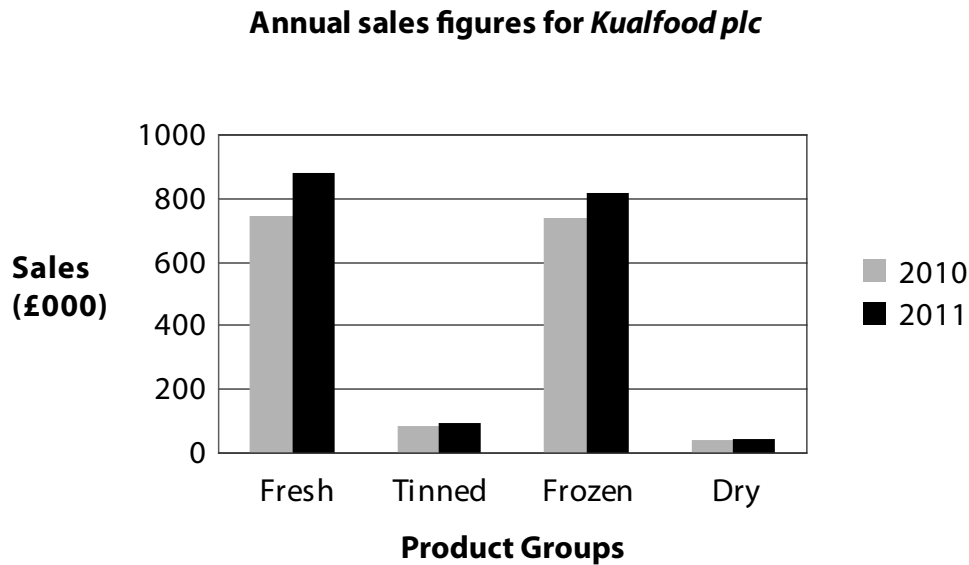
Kualfood plc uses key performance indicators, such as sales per employee, to regularly monitor how each store is performing.



Answer questions 3(a) to 3(d) which relate to *Kualfood plc*.

Question 3(a) must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

3 Below are the sales figures for the years 2010 and 2011 for each of the four main product groups sold by *Kualfood plc*.



(a) Which **one** of the product groups shows the greatest increase in sales from 2010 to 2011?

(1)

A	Fresh	<input type="checkbox"/>
B	Tinned	<input type="checkbox"/>
C	Frozen	<input type="checkbox"/>
D	Dry	<input type="checkbox"/>

(b) State **one** type of business, other than shopfitters, which might support *Kualfood plc*.

(1)

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(c) Explain why **sales per employee** is a useful performance indicator for *Kualfoods plc*.

(4)

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Sownz

Sownz is a music retail business which stocks a range of CDs and vinyl records at stores throughout the UK.

Sownz has decided to introduce a large range of electrical products into each of its stores. As a result, some staff will now have to work with unfamiliar products.

Sownz has recently introduced in-store cafes and mobile phone gift cards that can be purchased and stored on mobile and smart phones.



Answer questions 4(a) to 4(c) which relate to Sownz.

- 4** (a) *Sownz* has an entrepreneurial culture which encourages its managers to take risks.

Using an example from the information provided, outline what is meant by the term risk taking.

(2)

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The management of *Sownz* would like to compare the annual earnings of their shop floor staff to the average for the sector. They have obtained the figures for the median and the mean in the UK retail sector during 2011.

- (b) Explain why the managers at *Sownz* should use the median as the average measure when comparing annual earnings of their retail staff.

(4)

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Question 4 continues on page 16



