

**Paper Reference 1BS0/01**  
**Pearson Edexcel**  
**Level 1/Level 2 GCSE (9–1)**

Total Marks

# **Business**

## **Paper 1: Investigating small business**

**Friday 24 May 2019 – Morning**

**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>					

**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.**

**Calculators may be used.**

**You are advised to show all your working out with your answer clearly identified at the end of your solution.**

**Turn over**

## **INFORMATION**

**The total mark for this paper is 90**

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

**There may be spare copies of some data sheets.**

## **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.**

---

## **SECTION A**

**Answer ALL questions.**

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

**Some questions are multiple choice. Write the letter(s) of your chosen answer(s) in the box(es) provided.**

**Turn over**

1. (a) Which ONE of the following is a short-term source of finance?

Select ONE answer.

**A** Retained profit

**B** Share capital

**C** Trade credit

**D** Venture capital

Answer

(1 mark)

(continued on the next page)

Turn over

1. continued.

(b) Which ONE of the following is a definition of an exchange rate?

Select ONE answer.

- A** The flow of goods and services into a country
- B** The value of one currency in terms of another currency
- C** A tax on a particular good or service
- D** When businesses operate on an international scale

Answer

(1 mark)

(continued on the next page)

Turn over

**1. continued.**

- (c) Explain ONE benefit to an entrepreneur of buying a franchise to start a business.  
(3 marks)**

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

---

---

---

---

---

---

---

---

**Turn over**

1. (c) continued.

---

---

---

---

---

---

(continued on the next page)

Turn over



**1. continued.**

**(d) Explain ONE way a small business could use market segmentation to target customers.  
(3 marks)**

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

---

---

---

---

---

---

---

---

**Turn over**

1. (d) continued.

---

---

---

---

---

---

(Total for Question 1 = 8 marks)

---

2. (a) Which TWO of the following are elements of the marketing mix?

Select TWO answers.

**A** Payment

**B** Planning

**C** Price

**D** Product

**E** Profit

Answers

(2 marks)

(continued on the next page)

Turn over

**2. continued.**

**(b) Which TWO of the following areas are covered by employment law?**

**Select TWO answers.**

**A Consumer rights**

**B Discrimination**

**C E-commerce**

**D Health and safety**

**E Quality of products**

**Answers**

**(2 marks)**

**(continued on the next page)**

**Turn over**

**2. continued.**

**Look at Table 1 for Question 2(c) in the Data Book. It contains information about a small business for one month. The business sold 340 units in this month.**

**(c) Using the information in Table 1, calculate the total costs for one month. You are advised to show your workings.**

**(2 marks)**

**Answer space continues on the next page.**

**Turn over**

**2. (c) continued.**

**£** \_\_\_\_\_

**(continued on the next page)**

**Turn over**

**2. continued.**

**(d) Explain ONE possible non-financial aim an entrepreneur may have when starting a small business.**

**(3 marks)**

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

---

---

---

---

---

---

---

**Turn over**

**2. (d) continued.**

---

---

---

---

---

---

---

---

**(continued on the next page)**

**Turn over**



**2. continued.**

**(e) Explain ONE disadvantage to a small business of using qualitative data for market research.**

**(3 marks)**

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

---

---

---

---

---

---

---

---

**Turn over**

**2. (e) continued.**

---

---

---

---

---

---

**(Total for Question 2 = 12 marks)**

---

**Turn over**

3. (a) Which ONE of the following is an example of a cash outflow for a small business?

Select ONE answer.

- A Bank loan
- B Personal savings
- C Raw materials
- D Receipts

Answer

(1 mark)

(continued on the next page)

Turn over

**3. continued.**

**Look at Figure 1 for Question 3(b) in the Data Book. It shows information about the financial performance of a business from January to March.**

**(b) Using the information in Figure 1, calculate the total profit for the period January to March.**

**You are advised to show your workings.**

**(2 marks)**

**Answer space continues on the next page.**

**Turn over**

3. (b) continued.

£ \_\_\_\_\_

(continued on the next page)

Turn over

**3. continued.**

**(c) Explain ONE benefit to a small business of understanding customer needs.**

**(3 marks)**

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

---

---

---

---

---

---

---

---

**Turn over**

**3. (c) continued.**

---

---

---

---

---

---

**(continued on the next page)**

**Turn over**

**3. continued.**

- (d) Explain ONE reason why it is important to include financial information in a business plan.  
(3 marks)**

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

---

---

---

---

---

---

---

---

**Turn over**



**3. (d) continued.**

---

---

---

---

---

---

**(continued on the next page)**

**Turn over**

**3. continued.**

**(e) Discuss the importance of cash to the survival of a small business.**

**(6 marks)**

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

---

---

---

---

---

---

---

---

**Turn over**

**3. (e) continued.**

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

**Turn over**

**3. (e) continued.**

---

---

---

---

---

---

---

---

**(Total for Question 3 = 15 marks)**

---

**TOTAL FOR SECTION A = 35 MARKS**

---

**Turn over**

## **SECTION B**

**Answer ALL questions.**

**Look at the information for  
Questions 4 to 6 in the Data Book.**

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

**Turn over**

4. (a) Outline ONE risk taken by the owners when starting **Last Course Patisserie.**  
(2 marks)

---

---

---

---

---

---

---

---

---

(continued on the next page)

Turn over

4. continued.

(b) Analyse the impact on  
**Last Course Patisserie** of  
operating as a private limited  
company.

(6 marks)

Answer lines continue on the  
next two pages.

---

---

---

---

---

---

---

Turn over

4. (b) continued.

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

Turn over



4. (b) continued.

---

---

---

---

---

---

---

---

(Total for Question 4 = 8 marks)

---

Turn over

**5. Look at Table 2 for Question 5 in the Data Book. It shows Last Course Patisserie's financial information for the month of April.**

**(a) Using the information in Table 2, calculate the level of output required to break–even in April. You are advised to show your workings.**

**(2 marks)**

**Answer space continues on the next page.**

5. (a) continued.

\_\_\_\_\_ desserts

(continued on the next page)

Turn over

**5. continued.**

**In May suppliers increased the cost of raw materials by 4%**

**(b) Using the information in Table 2, calculate the variable cost per dessert following the increase in the cost of raw materials.**

**(2 marks)**

**Answer space continues on the next page.**

5. (b) continued.

£ \_\_\_\_\_

(continued on the next page)

Turn over

**5. continued.**

**UK consumer incomes are expected to rise over the next 10 years.**

**(c) Analyse the likely impact on  
Last Course Patisserie of  
this changing level of consumer  
income.**

**(6 marks)**

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

---

---

---

---

---

**Turn over**

5. (c) continued.

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

Turn over

**5. (c) continued.**

---

---

---

---

---

---

---

---

---

---

---

**(Total for Question 5 = 10 marks)**

---

**Turn over**



**6. The new head chef carried out secondary market research to identify information about the food market.**

**(a) State ONE benefit to Last Course Patisserie of conducting secondary market research.**

**(1 mark)**

---

---

---

---

---

**(continued on the next page)**

**Turn over**

**6. continued.**

**(b) Outline ONE impact on a stakeholder group of Last Course Patisserie if it relocates to new premises.  
(2 marks)**

---

---

---

---

---

---

---

---

---

---

**(continued on the next page)**

**Turn over**

**6. continued.**

**In order to increase the number of desserts that can be produced to meet the extra demand,**

**Last Course Patisserie is considering two options:**

**Option 1: investing in new machinery**

**Option 2: employing more staff.**

**(c) Justify which ONE of these two options Last Course Patisserie should choose.  
(9 marks)**

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

**Turn over**

**6. (c) continued.**

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

**Turn over**

**6. (c) continued.**

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

**Turn over**

**6. (c) continued.**

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

**Turn over**

**6. (c) continued.**

---

---

---

---

---

**(Total for Question 6 = 12 marks)**

---

**TOTAL FOR SECTION B = 30 MARKS**

---

**Turn over**

## **SECTION C**

**Answer ALL questions.**

**Look at the information and  
Figure 2 for Question 7 in the  
Data Book.**

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

**Turn over**



7. (a) State ONE way **Aphrodite** could use social media.  
(1 mark)

---

---

---

---

---

(continued on the next page)

**7. continued.**

**Look at Table 3 for Question 7(b) in the Data Book. It shows the value of the pound (£) in euros (€) from June to September.**

**(b) Identify, from Table 3, which month was best for *Aphrodite* to import clothes from Paris.  
(1 mark)**

---

---

---

---

---

**(continued on the next page)**

**Turn over**

**7. continued.**

**(c) Outline ONE reason why  
Aphrodite's range of stock  
could give it an advantage over  
its competitors.**

**(2 marks)**

---

---

---

---

---

---

---

---

---

---

**(continued on the next page)**

**Turn over**

7. continued.

To pay for the conversion of the premises, **Aphrodite** is considering two options:

**Option 1: obtaining a bank loan**

**Option 2: crowd funding.**

(d) Justify which **ONE** of these two options **Aphrodite** should choose.

(9 marks)

Answer lines continue on the next four pages.

---

---

Turn over

7. (d) continued.

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

Turn over

7. (d) continued.

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

Turn over

7. (d) continued.

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

Turn over

7. (d) continued.

---

---

---

---

(continued on the next page)

Turn over



**7. continued.**

- (e) Evaluate the impact of e-commerce on Aphrodite's marketing mix. You should use the information provided as well as your knowledge of business. (12 marks)**

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

---

---

---

---

---

---

---

**Turn over**

7. (e) continued.

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

Turn over

7. (e) continued.

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

Turn over

7. (e) continued.

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

Turn over

7. (e) continued.

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

Turn over

7. (e) continued.

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

Turn over

7. (e) continued.

---

---

---

---

(Total for Question 7 = 25 marks)

---

**TOTAL FOR SECTION C = 25 MARKS**

**TOTAL FOR PAPER = 90 MARKS**

**END OF PAPER**

---