

Paper Reference 1BS0/02  
Pearson Edexcel  
Level 1/Level 2 GCSE (9–1)

Total Marks
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Business  
PAPER 2: Building a business

Time: 1 hour 30 minutes

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

Surname					
Other names					
Centre Number					
Candidate Number					

**YOU MUST HAVE**

**Nil**

**YOU WILL BE GIVEN**

**Data Booklet**

**Turn over**

# **INSTRUCTIONS**

**Answer ALL questions.**

**Answer the questions in the spaces provided in this Question Paper – 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.**

# **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.**

**Turn over**

**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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## **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.**

- 1. (a) Look at the diagram for Question 1(a) in the Data Booklet. Which ONE of the following is the minimum level of stock held by the business in the bar gate stock graph shown in the diagram in the Data Booklet?**

**Select ONE answer from the options on the next page and write the letter in the box provided.**

**(continued on the next page)**

**1. (a) continued.**

**A 200 units**

**B 300 units**

**C 600 units**

**D 800 units**

**Answer**

**(1 mark)**

**(continued on the next page)**

**Turn over**

**1. continued.**

**(b) Which ONE of the following  
is a barrier to effective  
communication?**

**Select ONE answer from the  
options on the next page and  
write the letter in the box  
provided.**

**(continued on the next page)**



**1. (b) continued.**

**A New information**

**B New machinery**

**C Jargon**

**D Job description**

**Answer**

**(1 mark)**

**(continued on the next page)**

**Turn over**

**1. continued.**

**(c) Explain ONE benefit to a business of allowing its employees to work flexible hours.**

**(3 marks)**

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

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**Turn over**

**1. (c) continued.**

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**(continued on the next page)**

**1. continued.**

- (d) Explain ONE disadvantage to a business of using a just in time (JIT) system of stock control.**  
**(3 marks)**

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

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**Turn over**

**1. (d) continued.**

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**(Total for Question 1 = 8 marks)**

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- 2. (a) Which TWO of the following are stages of the product life cycle?**

**Select TWO answers from the options on the next page and write the letters in the boxes provided.**

**(continued on the next page)**

**2. (a) continued.**

**A Birth**

**B Cancellation**

**C Decline**

**D Growth**

**E Marketing**

**Answers**

**(2 marks)**

**(continued on the next page)**

**Turn over**

**2. continued.**

**(b) Which TWO of the following are elements of the design mix?**

**Select TWO answers from the options on the next page and write the letters in the boxes provided.**

**(continued on the next page)**

**Turn over**



**2. (b) continued.**

**A Cost**

**B Function**

**C Materials**

**D Price**

**E Quality**

**Answers**

**(2 marks)**

**(continued on the next page)**

**Turn over**

**2. continued.**

**Look at the table for Question 2(c) in the Data Booklet. It contains information about a new piece of machinery that a business wants to purchase.**

**(c) Using the information in the table, calculate the average rate of return.**

**(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 advantage to a business of having motivated employees.**

**(3 marks)**

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

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**Turn over**

**2. (d) continued.**

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**(continued on the next page)**

**Turn over**

**2. continued.**

**(e) Explain ONE impact on a business if tariffs are placed on its exports.**

**(3 marks)**

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

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**Turn over**

**2. (e) continued.**

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

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**Turn over**

**3. (a) Which ONE of the following is a stage in the sales process?**

**Select ONE answer.**

**A Advertising**

**B Customer engagement**

**C Product quality**

**D Use of different payment systems**

**Answer**

**(1 mark)**

**(continued on the next page)**

**Turn over**



**3. continued.**

**Look at the diagram for Question 3(b) in the Data Booklet. It shows a business' sales revenue from each of its four locations in South Yorkshire in 2020.**

**(b) Using the information in the diagram, calculate the average sales revenue for this business in 2020. You are advised to show your workings.**

**(2 marks)**

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

**Turn over**

**3. (b) continued.**

**£** \_\_\_\_\_

**(continued on the next page)**

**Turn over**

**3. continued.**

**(c) Explain ONE method that a business could use to reduce its environmental impact.**

**(3 marks)**

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

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**Turn over**

**3. (c) continued.**

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**(continued on the next page)**

**Turn over**

**3. continued.**

**(d) Explain ONE method that a business could use to extend the life cycle of one of its products.**

**(3 marks)**

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

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**Turn over**

3. (d) continued.

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(continued on the next page)

**3. continued.**

**(e) Discuss the impact on a company of using retained profit as a source of finance for expansion.**

**(6 marks)**

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

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**Turn over**

3. (e) continued.

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Turn over



**3. (e) continued.**

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

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**TOTAL FOR SECTION A = 35 MARKS**

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**Turn over**

## **SECTION B**

**Answer ALL questions.**

**Read the extract for Section B in the Data Booklet before answering Questions 4, 5 and 6.**

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

**Turn over**

4. (a) Outline ONE drawback to  
**Greggs** of using batch  
production in its factories.  
(2 marks)

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(continued on the next page)

Turn over

**4. continued.**

**(b) Analyse the impact on Greggs from increasing the use of technology in its factories.**

**(6 marks)**

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

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4. (b) continued.

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4. (b) continued.

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**(Total for Question 4 = 8 marks)**

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**5. Look at the table for Question 5(a) and 5(b) in the Data Booklet. It contains information about Greggs' financial performance in 2018.**

**(a) Using the information in the table, calculate Greggs' gross profit.**

**(2 marks)**

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

**5. (a) continued.**

**£** \_\_\_\_\_

**(continued on the next page)**

**Turn over**



**5. continued.**

**(b) Using the information in the table,  
calculate to 2 decimal places,  
Greggs' net profit margin.**

**(2 marks)**

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

**Turn over**

**5. (b) continued.**

\_\_\_\_\_ %

**(continued on the next page)**

**Turn over**

**5. continued.**

**(c) Analyse the impact on Greggs  
from improving its logistics.**

**(6 marks)**

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

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**Turn over**

5. (c) continued.

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Turn over

**5. (c) continued.**

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

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**6. (a) State ONE good that Greggs produces in its factories.**

**(1 mark)**

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**(continued on the next page)**

**6. continued.**

**(b) Outline ONE benefit to Greggs  
of being a public limited  
company (plc).  
(2 marks)**

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**(continued on the next page)**

**Turn over**

**6. continued.**

**In order to continue the growth in its sales, Greggs is considering two options:**

**Option 1: differentiate its product range**

**Option 2: lower its prices.**

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

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

**Turn over**



6. (c) continued.

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Turn over

6. (c) continued.

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Turn over

6. (c) continued.

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Turn over

**6. (c) continued.**

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

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**TOTAL FOR SECTION B = 30 MARKS**

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**Turn over**

## **SECTION C**

**Answer ALL questions.**

**Read the extract for Section C in the Data Booklet carefully and then answer Question 7.**

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

**Turn over**

7. (a) Define the term **multinational**.  
(1 mark)

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(continued on the next page)

**7. continued.**

**Look at the diagram for Question 7(b) in the Data Booklet. It shows the percentage of customers the website [www.jdsports.co.uk](http://www.jdsports.co.uk) has had from various social media websites in 2020.**

**(b) Using the information in the diagram, identify the social media site that generated the smallest percentage of customers for [www.jdsports.co.uk](http://www.jdsports.co.uk).**

**(1 mark)**

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

**Turn over**

7. (b) continued.

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(continued on the next page)

Turn over



**7. continued.**

**(c) Outline ONE benefit to  
JD Sports of having a website.  
(2 marks)**

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**(continued on the next page)**

**Turn over**

**7. continued.**

**In order to improve its competitive advantage JD Sports is considering two options:**

**Option 1: targeted online advertising**

**Option 2: sponsorship.**

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

**(9 marks)**

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

**Turn over**

7. (d) continued.

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7. (d) continued.

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7. (d) continued.

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Turn over

7. (d) continued.

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**7. continued.**

**(e) Evaluate whether the takeover of Footasylum will allow JD Sports to increase its profit. You should use the information provided as well as your knowledge of business.**

**(12 marks)**

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

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**Turn over**

7. (e) continued.

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7. (e) continued.

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7. (e) continued.

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7. (e) continued.

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Turn over

7. (e) continued.

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Turn over

**7. (e) continued.**

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**(Total for Question 7 = 25 marks)**

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**TOTAL FOR SECTION C = 25 MARKS**

**TOTAL FOR PAPER = 90 MARKS**

**END OF PAPER**

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