

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

Business

PAPER 2: Building a business

Monday 12 June 2023 – Afternoon

Time: 1 hour 45 minutes

Source Booklet

Do not return this Booklet with the Question Paper.

Contents

Page

SECTION B

3 Extract A

SECTION C

4 Diagrams

5 Extract B

SECTION B

Read Extract A, then answer Questions 4, 5 and 6.

Extract A

Ocado plc is an online grocery retailer that does not own physical shops. **Ocado** purchases its groceries from food manufacturers such as Heinz or from other grocery retailers such as Marks & Spencer. It then sells these groceries through the **Ocado** website or through its app. Groceries are then delivered to each customer's home. The company already has a **62%** 'excellent' rating on Trustpilot for its customer service. This is higher than other supermarkets, such as Asda, that also offer online grocery shopping. **Ocado** is considering introducing a one-hour, same day delivery service.

In **2020**, **Ocado's** sales rose by more than **40%** as demand for online grocery shopping increased. **Ocado** has invested in new technology in its warehouses. This has allowed **Ocado** to use a just in time (JIT) stock management system. As part of this investment, **Ocado's** robots now can pick a customer's order in less than **5** minutes. The robots have artificial intelligence and know that they should place heavy items such as milk at the bottom of a bag. This level of automation allowed **Ocado** to process an extra **30,000** orders each week during **2020**.

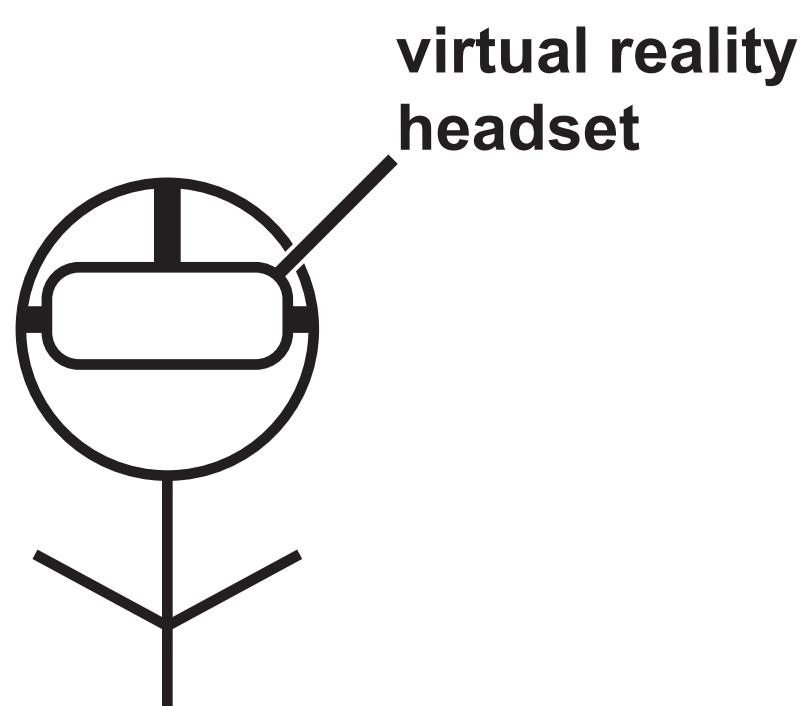
In order to increase its share of the grocery market, **Ocado** is considering expanding its range of 'own label' products to improve its offer to customers.

SECTION C

Look at the diagrams below and read Extract B, then answer Question 7.

Diagrams

An Oculus virtual reality headset



(continued on the next page)

Extract B

In **2004**, entrepreneur Mark Zuckerberg started **Facebook**. Then, in **2012**, the company floated on the stock exchange and became a public limited company (plc). By **2020**, **Facebook** plc had become the largest social networking website in the world with **2·5** billion users and advertising revenues of **\$70·1** billion.

The company has used internal and external growth to expand. Between **2012** and **2020**, **Facebook** purchased over **60** different companies, including WhatsApp, Instagram and the virtual reality company, Oculus. However, **Facebook** wants to reduce its reliance on revenue from advertising on its websites and sees its future growth coming from new markets such as selling virtual reality headsets. **Facebook** believes that social media is now reaching the maturity phase in its product life cycle in most of its main markets.

In **2020** **Facebook** decided to give employees in its European headquarters in Dublin the option to work from home. **Facebook** believes that remote working will not result in lower productivity. It also believes it will allow **Facebook** to attract talented people such as coders, graphic designers and software engineers who cannot afford to live in expensive locations such as Dublin. **Facebook** believes that having less office space will reduce costs and give the company a competitive advantage against its rivals such as Snapchat and Twitter.

Sources

Extract for Section B

(Source: adapted from <https://www.theverge.com/2018/5/8/17331250/automated-warehouses-jobs-ocado-andover-amazon> and

<https://www.independent.co.uk/news/business/news/coronavirus-ocado-sales-rise-latest-online-grocery-shopping-covid-19-a9500966.html>)

Extract for Section C

(Source: adapted from <https://www.irishtimes.com/business/technology/facebook-to-reopen-irish-offices-in-early-july-1.4259429>

and

<https://www.theguardian.com/technology/2020/may/21/facebook-coronavirus-remote-working-policy-extended-years/>)