

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

Business
PAPER 1: Investigating small business

Tuesday 14 May 2024 – Afternoon
Time: 1 hour 45 minutes

Total Marks

IN THE BOXES BELOW write your name, centre number and candidate number.

Candidate surname					
Other names					
Centre Number					
Candidate Number					

YOU MUST HAVE:

Source Booklet (enclosed)

YOU WILL BE GIVEN:

Diagram Booklet

INSTRUCTIONS

There are THREE sections in this paper.

**Answer ALL questions in the spaces provided
– 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.**

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 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 ☐.

- 1 (a) Which ONE of the following is a way of segmenting a market?**
(1 mark)

Select ONE answer.

- ☐ **A Cost**
- ☐ **B Income**
- ☐ **C Media**
- ☐ **D Profit**

(continued on the next page)

Turn over

1 continued

- (b) Which ONE of the following is a definition of insolvency?
(1 mark)**

Select ONE answer.

- ☐ **A Business failure due to unpaid debts**
- ☐ **B Credit offered by suppliers**
- ☐ **C The cost of borrowing money**
- ☐ **D When two businesses join together**

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1 continued

- (c) Explain ONE disadvantage of starting a business as a partnership.**

(3 marks)

Answer space continues on the next page

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Turn over

1(c) continued

(continued on the next page)

Turn over

1 continued

- (d) Explain ONE advantage to customers from increased competition.**

(3 marks)

Answer space continues on the next page

[illegible]

Turn over

1(d) continued

(Total for Question 1 = 8 marks)

- 2 (a) Which TWO of the following could be used to collect secondary market research?
(2 marks)**

Select TWO answers.

- ☐ **A Focus group**
- ☐ **B Internet**
- ☐ **C Market reports**
- ☐ **D Observation**
- ☐ **E Survey**

(continued on the next page)

2 continued

- (b) Which TWO of the following are covered by employment law?
(2 marks)**

Select TWO answers.

- ☐ **A Consumer rights**
- ☐ **B Discrimination**
- ☐ **C Health and safety**
- ☐ **D Product quality**
- ☐ **E Taxation**

(continued on the next page)

Turn over

2 continued

**Look at TABLE 1 for Question 2(c) in the Diagram Booklet.
TABLE 1 contains information for a small business.**

- (c) Using the information in TABLE 1, calculate the
total costs for the small business.
You are advised to show your workings.
(2 marks)**

£ _____

(continued on the next page)

Turn over

2 continued

- (d) Explain ONE disadvantage to a small business from using retained profit for expansion. (3 marks)**

Answer space continues on the next page

[illegible]

Turn over

2(d) continued

(continued on the next page)

2 continued

- (e) Explain ONE advantage of opening up a business as a franchise.**

(3 marks)

Answer space continues on the next page

[illegible]

Turn over

2(e) continued

(Total for Question 2 = 12 marks)

- 3 (a) Which ONE of the following is a financial aim for a new business?
(1 mark)

Select ONE answer.

- ☐ A Challenge
- ☐ B Independence
- ☐ C Personal satisfaction
- ☐ D Survival

(continued on the next page)

3 continued

Look at FIGURE 1 for Question 3(b) in the Diagram Booklet. FIGURE 1 shows the number of units sold by a business each month from June to August. The break even level of output for each month was 5,000.

- (b) Using the information in FIGURE 1, calculate the margin of safety for August. You are advised to show your workings.
(2 marks)**

_____ units

(continued on the next page)

Turn over

3 continued

- (c) Explain ONE disadvantage to a small business from an increase in unemployment.**

(3 marks)

Answer space continues on the next page

[illegible]

Turn over

3(c) continued

(continued on the next page)

3 continued

- (d) Explain ONE advantage to a small business from using e-commerce.**

(3 marks)

Answer space continues on the next page

[illegible]

Turn over

3(d) continued

(continued on the next page)

3 continued

- 3 (e) Discuss the way a small business could use branding to add value.**

(6 marks)

Answer space continues on the next 2 pages

[illegible]

Turn over

3(e) continued

[illegible]

Turn over

3(e) continued

(Total for Question 3 = 15 marks)

TOTAL FOR SECTION A = 35 MARKS

SECTION B

Answer ALL questions. Write your answers in the spaces provided.

In the Source Booklet, look at FIGURE 2 and read EXTRACT A, then answer Questions 4, 5 and 6.

- 4 (a) Outline ONE possible risk to Keilan from setting up Adikoggz.**

(2 marks)

Answer space continues on the next page

Turn over

4(a) continued

(continued on the next page)

4 continued

- (b) Analyse the importance to **Adikoggz** of identifying customer needs.

(6 marks)

Answer space continues on the next 2 pages

Turn over

4(b) continued

[illegible]

Turn over

4(b) continued

(Total for Question 4 = 8 marks)

- 5 Look at TABLE 2 for Question 5(a) in the Diagram Booklet. TABLE 2 shows how many pairs of trainers were customised by Adikoggz from July to December 2022.**
- (a) Using the information in TABLE 2, calculate the average number of trainers customised per month from July to December 2022. You are advised to show your workings.
(2 marks)**

_____ pairs

(continued on the next page)

Turn over

5 continued

- (b) Using the information in TABLE 2, calculate, to 2 decimal places, the percentage change in sales from November to December 2022.
(2 marks)**

_____ %

(continued on the next page)

Turn over

5 continued

- (c) Analyse the advantage to **Adikoggz** from using social media to promote its products.

(6 marks)

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5(c) continued

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5(c) continued

(Total for Question 5 = 10 marks)

- 6 (a) State ONE example of a cash inflow for Adikoggz.
(1 mark)

(continued on the next page)

6 continued

- (b) Outline ONE benefit to Keilan from producing a business plan for **Adikoggz**.
(2 marks)

(continued on the next page)

Turn over

6 continued

To help prevent cash-flow problems **Adikoggz** is considering two options as a short-term source of finance:

OPTION 1: an overdraft from the bank

OPTION 2: trade credit from suppliers.

6 (c) Justify which ONE of these two options **Adikoggz should choose.**

(9 marks)

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6(c) continued

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6(c) continued

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6(c) continued

(Total for Question 6 = 12 marks)

(TOTAL FOR SECTION B = 30 MARKS)

SECTION C

Answer ALL questions. Write your answers in the spaces provided.

In the Source Booklet, look at Figure 3 and read EXTRACT B, then answer Question 7.

- 7 (a) State ONE example of a fixed cost for PFC.**
(1 mark)

(continued on the next page)

7 continued

Look at the TABLE 3 for Question 7 in the Diagram Booklet. TABLE 3 shows the % of the local population that has a gym membership in different regions of the UK.

- (b) Using the information in TABLE 3, identify which region had the lowest level of gym membership in the UK.
(1 mark)**

(continued on the next page)

Turn over

7 continued

- (c) Outline ONE factor that could have influenced the location of PFC.
(2 marks)**

(continued on the next page)

Turn over

7 continued

In order to increase the number of new members at **PFC**, the owner is considering two options:

OPTION 1: reducing the price of membership

OPTION 2: providing an individual fitness plan for all new members.

- (d) Justify which **ONE** of these two options would have the bigger impact on new membership at **PFC**.

(9 marks)

Answer space continues on the next 3 pages

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7(d) continued

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7(d) continued

(continued on the next page)

7 continued

- (e) Evaluate the importance of the level of consumer income to the success of PFC. You should use the information provided as well as your knowledge of business.**

(12 marks)

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7(e) continued

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7(e) continued

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7(e) continued

(Total for Question 7 = 25 marks)

TOTAL FOR SECTION C = 25 MARKS

TOTAL FOR PAPER = 90 MARKS

END OF PAPER