

Paper Reference 1BS0/02

Pearson Edexcel Level 1/Level 2 GCSE (9–1)

Business

PAPER 2: Building a business

Wednesday 5 June 2024 – Afternoon

Time: 1 hour 45 minutes

SOURCE BOOKLET

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SECTION B

Look at **FIGURE 2** and read **EXTRACT A**, then answer Questions 4, 5 and 6.

FIGURE 2



(continued on the next page)

SECTION B continued

EXTRACT A

Popeyes is an American fried chicken fast-food chain. It is well known for its Louisiana style fried chicken that is marinated overnight in a mix of spices. As well as traditional chicken sandwiches and chicken wings, **Popeyes** has unusual items on its menu such as American style biscuits and Cajun gravy. The success of its restaurants has surprised the company. To meet the high level of demand for its fried chicken, Popeyes had to redesign the layout of its kitchens and serving areas and re-train employees. Since opening in 2021, its Stratford restaurant in London has become **Popeyes'** best performing outlet in the world, often with queues of between 50 to 100 people waiting outside.

However, **Popeyes** is not the only American fast-food chain that has found the UK attractive. Wendy's, Shake Shack and Wingstop have all entered the UK market since 2018. Together with established chains, such as KFC and Burger King, this has made the UK fast-food market highly competitive. This has created problems for restaurant managers since they are struggling to find enough trained employees in places such as London and Birmingham. Skilled chefs and kitchen staff are in high demand, which has led to higher wage rates.

SECTION C

Look at FIGURE 3 and read EXTRACT B, then answer Question 7.

FIGURE 3



(continued on the next page)

SECTION C continued

EXTRACT B

Cineworld plc is the UK's largest cinema chain. It owns 127 multi-screen cinemas in a variety of city centre and out of town locations. Several sites have 4DX screens, which have seats that move 'in sync' with what is happening in the movie.

In 2019, Cineworld had accumulated £2.3 billion of debt due to rapid external growth. Due to the global health crisis in 2020, the government forced a shut-down of all cinemas. Since re-opening in 2021, ticket sales at Cineworld cinemas have been low. The blockbuster movies that normally attract people to the cinema, such as 'Spider-Man: No Way Home', have been lacking in number and quality. Home streaming services, such as Apple TV and Netflix, have made visiting the cinema less attractive.

These factors led to Cineworld making a £537 million loss in 2022, leaving the company close to failure. The Cineworld share price has fallen from over £3 in 2019 to less than 2p in 2023. The company needs cash to cover its loan repayments.

Rival cinema companies, such as Vue, have encountered similar problems and have reduced the price of a ticket to £6.99 to attract people back to watching movies at the cinema. However, Cineworld has so far refused to do this. It still charges £18.69 for its most expensive tickets.

SOURCES

Figure 2:

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Extract A:

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Figure 3:

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Extract B:

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