

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

Total Marks

**Fill in the boxes below with your name,
centre number and candidate number.**

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.

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.

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 an element of the design mix?
(1 mark)**

Select ONE answer.

☐ **A Aesthetics**

☐ **B Extension**

☐ **C Packaging**

☐ **D Production**

(continued on the next page)

1 continued

**(b) Which ONE of the following is the best definition of a trade bloc?
(1 mark)**

Select ONE answer.

- ☐ **A A group of countries that trade freely between themselves**
- ☐ **B A problem involving suppliers not delivering raw materials**
- ☐ **C A tariff on exported goods and services**
- ☐ **D A tariff on imported goods and services**

(continued on the next page)

Turn over

1 continued

(c) Explain ONE reason why a business may increase its product range.

(3 marks)

Answer space continues on the next 2 pages

Turn over

1(c) continued

1(c) continued

(continued on the next page)

1 continued

(d) Explain ONE advantage to a business of using just in time (JIT) stock control.

(3 marks)

Answer space continues on the next 2 pages

Turn over

1(d) continued

Turn over

1(d) continued

(Total for Question 1 = 8 marks)

- 2 (a) Which TWO of the following documents would be sent to a business by a person when applying for a job?
(2 marks)**

Select TWO answers.

- ☐ **A Application form**
- ☐ **B Curriculum vitae (CV)**
- ☐ **C Job description**
- ☐ **D Performance review**
- ☐ **E Person specification**

(continued on the next page)

Turn over

2 continued

**(b) Which TWO of the following are stages in the sales process?
(2 marks)**

Select TWO answers.

☐ **A Customer engagement**

☐ **B Longer opening hours**

☐ **C Market data**

☐ **D Product knowledge**

☐ **E Product promotion**

(continued on the next page)

Turn over

2 continued

**Look at TABLE 1 in the Diagram Booklet.
Table 1 contains information about a
machine that a business is considering
purchasing.**

- (c) Using the information in TABLE 1,
calculate the average rate of return
for the machine.**

(2 marks)

**Show your workings and answer on
the next page**

2(c) continued

_____ %

(continued on the next page)

Turn over

2 continued

(d) Explain ONE method a business could use to improve the quality of its products.

(3 marks)

Answer space continues on the next 2 pages

Turn over

2(d) continued

2(d) continued

(continued on the next page)

Turn over

2 continued

**(e) Explain ONE disadvantage to a business of having a flat organisational structure.
(3 marks)**

**Answer space continues on the next
2 pages**

Turn over

2(e) continued

2(e) continued

(Total for Question 2 = 12 marks)

Turn over

- 3 (a) Which ONE of the following elements of the marketing mix relates to the distribution of a product to the consumer?
(1 mark)**

Select ONE answer.

☐ **A Place**

☐ **B Price**

☐ **C Product**

☐ **D Promotion**

(continued on the next page)

Turn over

3 continued

Look at FIGURE 1 in the Diagram Booklet. Figure 1 shows the bar gate stock graph for a business in June 2023. A and B represent deliveries of stock to the business.

- (b) Using the information in FIGURE 1, calculate how many days it took for the business to run out of stock after receiving its last delivery in June 2023.**

(2 marks)

Show your workings and answer on the next page

(continued on the next page)

Turn over

3(b) continued

_____ **days**

(continued on the next page)

Turn over

3 continued

(c) Explain ONE reason why a business may use sponsorship to promote a product.

(3 marks)

Answer space continues on the next 2 pages

Turn over

3(c) continued

3(c) continued

(continued on the next page)

Turn over

3 continued

(d) Explain ONE disadvantage to a business of using remote working.

(3 marks)

Answer space continues on the next 2 pages

Turn over

3(d) continued

3(d) continued

(continued on the next page)

Turn over

3 continued

(e) Discuss the benefit to a business from reducing its environmental impact.

(6 marks)

Answer space continues on the next 4 pages

Turn over

3(e) continued

3(e) continued

3(e) continued

3(e) continued

(Total for Question 3 = 15 marks)

TOTAL FOR SECTION A = 35 MARKS

Turn over

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 method of internal growth that **Popeyes** could use.
(2 marks)

Answer space continues on the next page

Turn over

4(a) continued

(continued on the next page)

Turn over

4 continued

**(b) Analyse the importance to Popeyes
of differentiating its products.**

(6 marks)

**Answer space continues on the next
4 pages**

Turn over

4(b) continued

4(b) continued

4(b) continued

4(b) continued

(Total for Question 4 = 8 marks)

5 Look at TABLE 2 in the Diagram Booklet. Table 2 shows the price of items in an order placed by a customer at Popeyes.

(a) Using the information in TABLE 2, calculate the average price of the items ordered by the customer.

(2 marks)

Show your workings and answer on the next page

(continued on the next page)

Turn over

£ _____

(continued on the next page)

Turn over

5 continued

- (b) Using the information in TABLE 2, calculate, to 2 decimal places, the percentage of the total order spent on Chicken wings.
(2 marks)**

_____ %

(continued on the next page)

Turn over

5 continued

**(c) Analyse the drawback to Popeyes
from trying to improve productivity.
(6 marks)**

**Answer space continues on the next
4 pages**

Turn over

5(c) continued

5(c) continued

5(c) continued

5(c) continued

(Total for Question 5 = 10 marks)

Turn over

- 6 (a) State ONE example of stock that Popeyes is likely to purchase from a supplier.
(1 mark)

(continued on the next page)

Turn over

6 continued

(b) Outline ONE benefit to Popeyes from having a good relationship with its suppliers.

(2 marks)

Answer space continues on the next page

Turn over

6(b) continued

(continued on the next page)

Turn over

6 continued

In order to help increase the profit made by the Stratford branch of Popeyes, the manager is considering the following two options:

OPTION 1: employ workers on flexible hours

OPTION 2: employ workers full-time.

(continued on the next page)

6 continued

(c) Justify which ONE of these two options Popeyes should choose.

(9 marks)

Answer space continues on the next 6 pages

Turn over

6(c) continued

6(c) continued

6(c) continued

6(c) continued

6(c) continued

6(c) continued

(Total for Question 6 = 12 marks)

(TOTAL FOR SECTION B = 30 MARKS)

Turn over

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) Give ONE non-financial method to motivate employees in a business. (1 mark)**

(continued on the next page)

7 continued

**Look at FIGURE 4 in the Diagram Booklet.
Figure 4 shows the UK market share of the
four largest cinema chains in 2016.**

- (b) Using the information in FIGURE 4,
identify the only cinema chain that
increased its market share in 2019.
(1 mark)**

**Answer space continues on the next
page**

Turn over

7(b) continued

(continued on the next page)

Turn over

7 continued

**(c) Outline ONE likely responsibility for
a manager of a Cineworld cinema.**

(2 marks)

**Answer space continues on the next
page**

Turn over

7(c) continued

(continued on the next page)

7 continued

**In order to cover its loan repayments,
Cineworld plc is considering the following
two options:**

OPTION 1: selling assets

OPTION 2: issue new share capital.

(continued on the next page)

Turn over

7 continued

(d) Justify which ONE of these two options Cineworld plc should choose.

(9 marks)

Answer space continues on the next 6 pages

Turn over

7(d) continued

Turn over

7(d) continued

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 importance of charging lower prices to allow Cineworld to return to profit. You should use the information provided as well as your knowledge of business.

(12 marks)

Answer space continues on the next 10 pages

Turn over

7(e) continued

Turn over

7(e) continued

7(e) continued

7(e) continued

7(e) continued

7(e) continued

7(e) continued

7(e) continued

7(e) continued

7(e) continued

(Total for Question 7 = 25 marks)

TOTAL FOR SECTION C = 25 MARKS

TOTAL FOR PAPER = 90 MARKS

END OF PAPER