

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

Business
Paper 1: Investigating small business

Thursday 21 May 2020 – Afternoon

Data Book

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

Surname					
Other names					
Centre Number					
Candidate Number					

INSTRUCTIONS

There may be spare copies of some data sheets in case you need them.

**THIS DATA BOOK MUST BE
RETURNED WITH THE QUESTION
PAPER AT THE END OF THE
EXAMINATION.**

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Question 2(c)

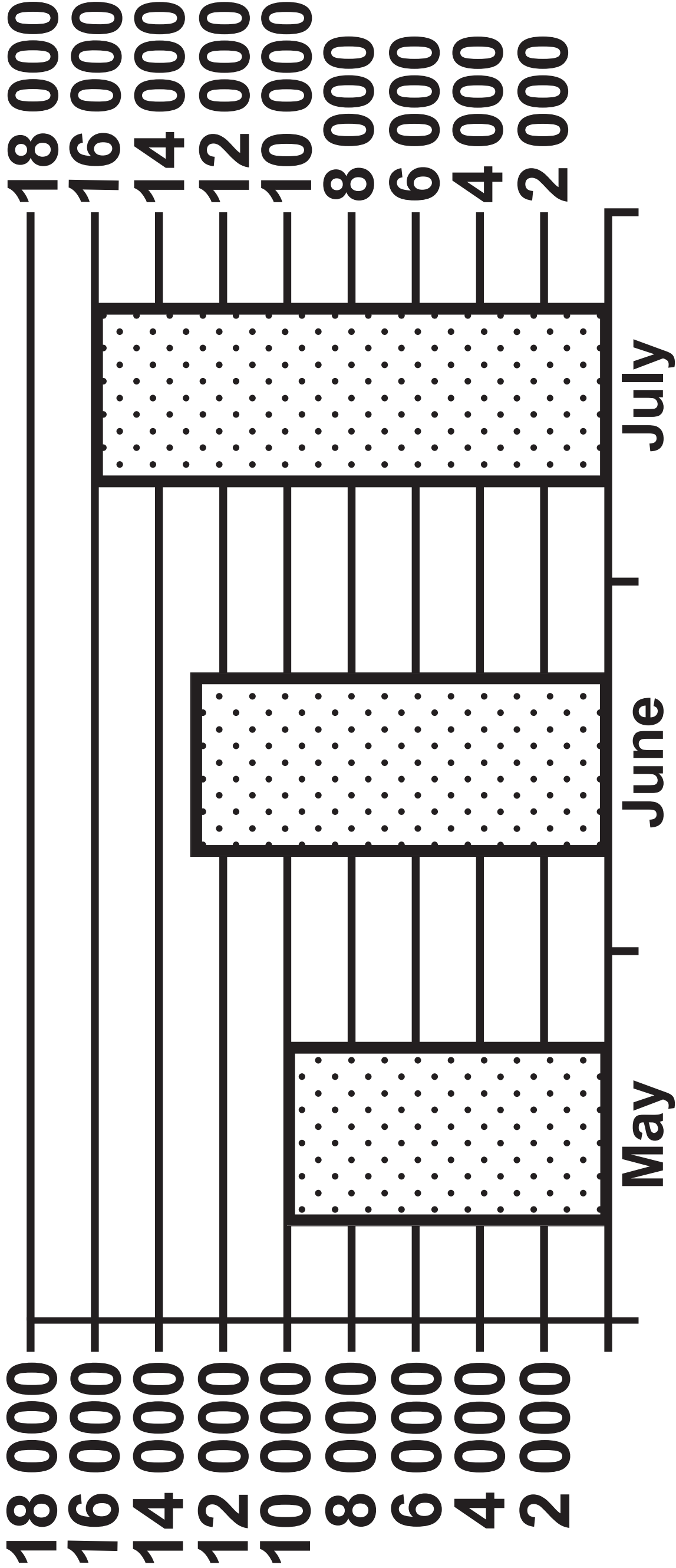
Selling price	£15
Rent	£500
Wages	£1 000
Advertising	£150

Question 3(b)

Total costs from May to July

☐ Total costs

£



Extract for Section B

On Your Bike is a family owned business that first opened in London in 1983. Its customers include children buying their first bikes and scooters, through to experienced enthusiasts in road cycling and mountain biking.

The business offers a wide range of bikes, many imported from abroad.

These include high quality brands such as Brompton, Cannondale and Ridgeback. It also stocks a wide range of clothing and helmets including brands such as Endura and Altura.

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Extract for Section B continued.

On Your Bike has large workshop facilities in its shop where qualified mechanics maintain and repair all makes of bike. All mechanics go on regular training courses to ensure they keep their skills and knowledge up to date with the latest cycling technology. This allows **On Your Bike** to offer exceptional customer service and advice.

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Extract for Section B continued.

The cycling market has grown over recent years. Market research has shown that an increasing number of tourists like to rent bikes when on holiday. In response to this, On Your Bike operates one of the largest bike rental services in London. Bikes can be hired by the day or week with a choice including road and electric bikes.

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Extract for Section B continued.

The information below shows a customer review from a comparison website.



Great Service!!!

Great customer service, particularly from Miles.

They have a great range of bikes for hire too!

Member: Sydney, Australia

Question 5

	Forecast
Total number of bike sales	2,000
Total revenue	£1 100 000
Variable cost per bike	£350
Fixed costs	£150 000

Extract for Section C

Stand up paddleboarding is a sport which is similar to surfing but the riders use a paddle whilst standing on the board. Joe Thwaites opened LOCO in 2012 as he spotted a gap in the market manufacturing stand up paddleboards (SUPs). Joe felt that he could compete using innovative designs and by changing the shape of the SUPs he made. He spent a few weeks in Fuerteventura, Spain, working with professional SUP riders where he developed designs for three LOCO boards.

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Extract for Section C continued.

Since then LOCO has surrounded itself with creative talent. This includes world class SUP shapers, graphic designers and team riders, who compete in competitions using its boards. Within months of its new SUPs becoming available, one of the team went on to win the British National Championship and represent Team GB in the World Championships.

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Extract for Section C continued.

LOCO now sells an extensive range of SUPs, surf and kite boards throughout the UK and Europe and is ready to further extend its brand. Joe feels that the use of digital marketing using social media is vital in this growth. This combination of creative marketing and Joe's active role in the business, by offering advice to customers, has provided him with a firm belief that LOCO can compete against larger manufacturers.

(Source: adapted from <https://locosurfing.com/> and interview with owner 8/06/2018)

Question 7(b)

Year	Interest rate (%)
2014	1.49
2015	1.40
2016	1.25
2017	1.00