

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

Business
Paper 2: Building a business

Tuesday 2 June 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.**

Contents

Page

SECTION A

- 4 Question 2(c)
- 5 Question 3(b)

SECTION B

- 6 Extract 1
- 7 Question 5

SECTION C

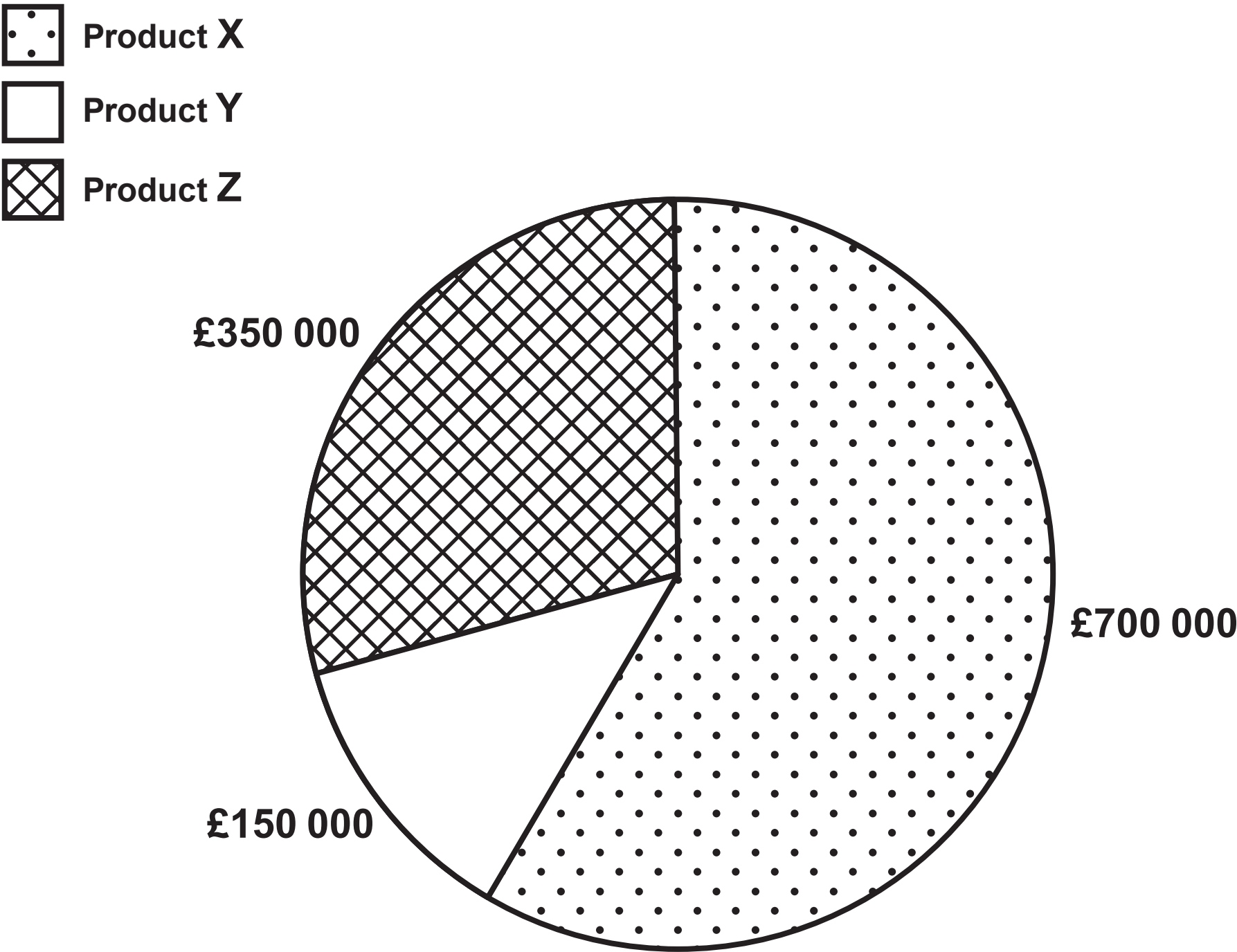
- 8 Extract 2
- 9 Question 7(b)

Question 2(c)

Sales revenue	£625 000
Cost of sales	£145 000
Other operating expenses and interest	£200 000

Question 3(b)

Sales revenue for products X, Y and Z in 2018



Extract 1

The Colonel is working on it.

**THE CHICKEN CROSSED THE ROAD,
JUST NOT TO OUR RESTAURANTS...**

We've brought a new delivery partner onboard, but they've had a couple of teething problems – getting fresh chicken out to **900** restaurants across the country is pretty complex!

We won't compromise on quality, so no deliveries has meant some of our restaurants are closed, and others are operating a limited menu, or shortened hours.

Shout out to our restaurant teams who are working flat out to get us back up and running again.

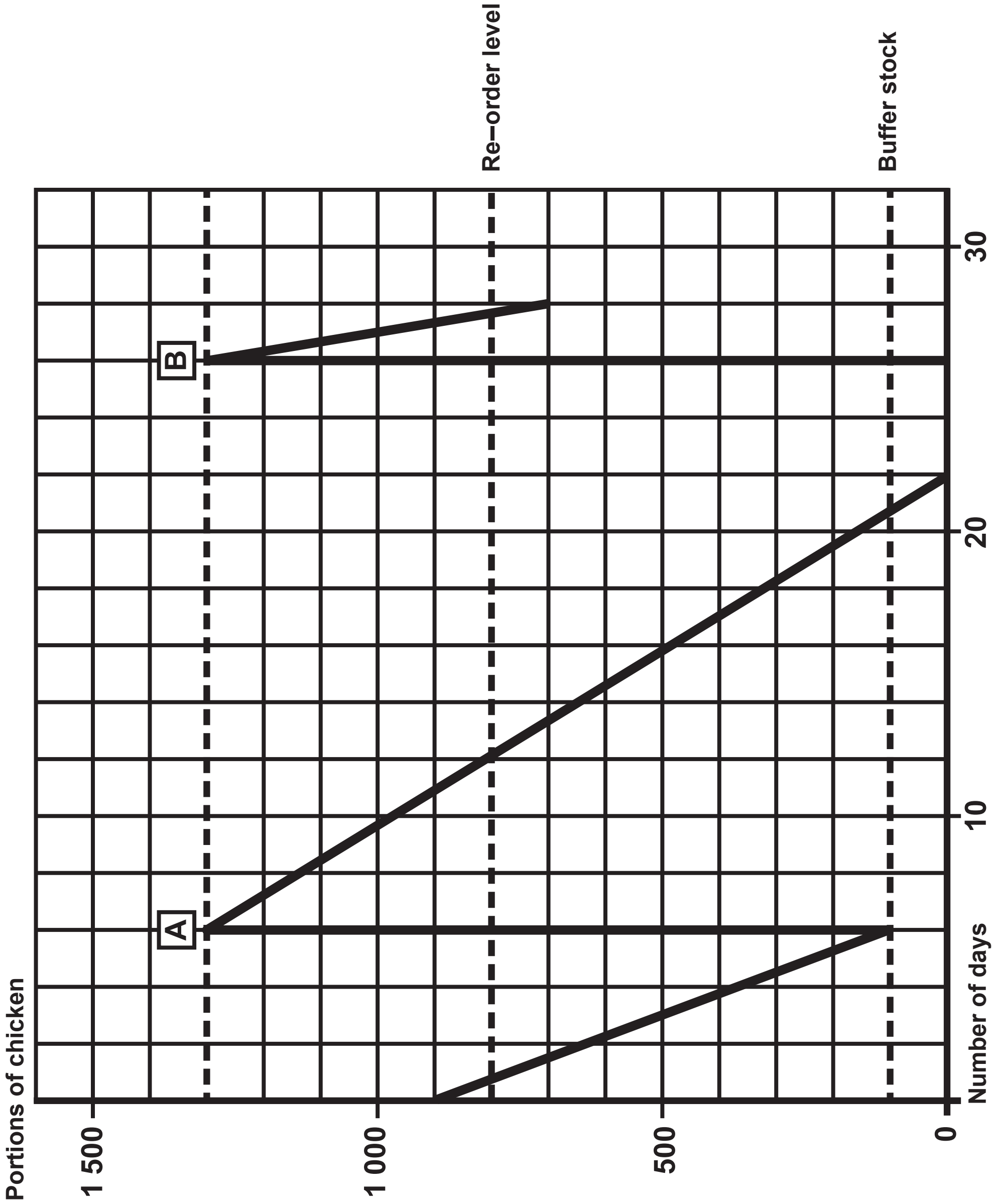
Kentucky Fried Chicken (KFC) is a fast food chain that sells fried chicken. Amongst its most popular products are Popcorn Chicken, Boneless Chicken boxes and Zinger Tower burgers. These are freshly cooked in batches in each of its **900** restaurants across the UK.

In **2017**, **KFC** changed the company it used to transport its supplies of chicken. It replaced Bidvest with DHL. Bidvest had three distribution centres across the UK, but DHL only had one. In February **2018**, DHL started to have logistical problems causing many **KFC** restaurants to run out of chicken. This led to a temporary closure of many **KFC** branches due to poor supplier reliability.

As a result of these closures, **KFC** started losing market share to rival fast food restaurants such as Burger King. **KFC** used social media and a viral advertising campaign to apologise to customers. It also considered lowering the prices of its most popular food items to win back lost customers and recapture market share.

(Source: adapted from <https://www.standard.co.uk/news/uk/kfc-apologises-for-chicken-shortage-with-witty-fck-were-sorry-advert-a3774321.html> and <https://www.theguardian.com/business/2018/feb/19/kfc-uk-closed-chicken-shortage-fash-food-contract-delivery-dhl>)

Question 5



Extract 2

Iceland is a supermarket that sells frozen food. Although the grocery industry is very competitive, **Iceland** enjoyed a successful **2017**. Sales revenue increased by **2·0%** allowing profits to increase by **£9·5 million** to **£160 million**.

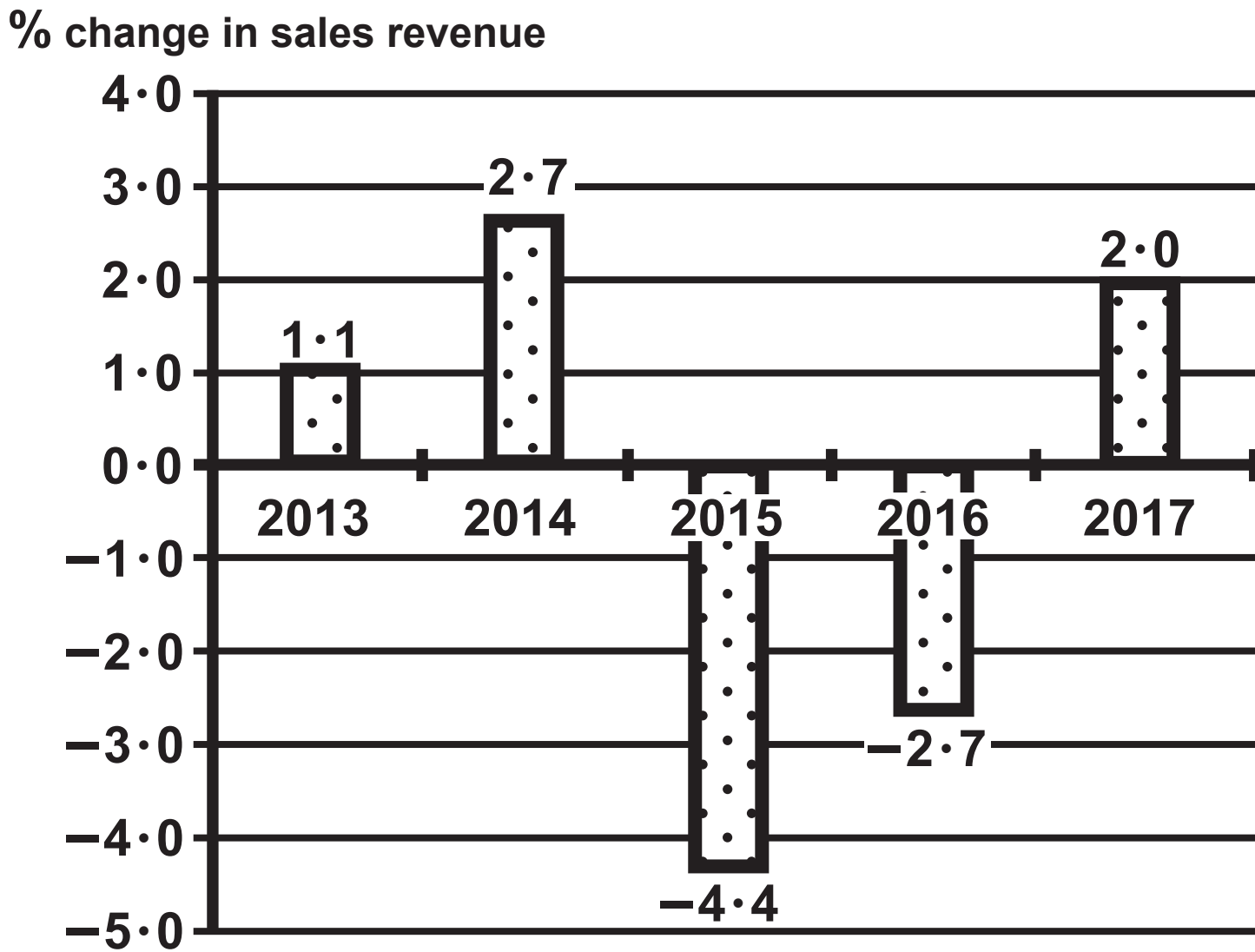
Iceland believes this success has been due to improved marketing. It has introduced new products using the **Slimming World** and **Millie's Cookies** brand names. It also launched a new advertising campaign called 'The Power of Frozen'. In addition it has developed a new store format called 'The Food Warehouse'. These stores are much larger than a normal **Iceland** store which allows them to stock more luxury products. **Iceland** hopes that The Food Warehouse will help it to appeal to high-income customers and it plans to open more stores.

In **2018**, **Iceland** received positive publicity from its decision to ban all plastic packaging on its own-brand products by **2023**. It intends to replace plastic with recycled paper. A survey of **5,000** of its customers showed that **80%** of them agreed with the change. Pressure groups, such as **Friends of the Earth**, have welcomed **Iceland's** decision. Plastic waste has caused pollution of the world's oceans and has killed marine life. Pressure groups hope that **Iceland's** decision will be repeated by other supermarkets in the UK.

(Source: adapted from <https://www.theguardian.com/business/2018/jan/15/iceland-vows-to-eliminate-plastic-on-all-own-branded-products> and <http://about.iceland.co.uk/wp-content/uploads/2017/12/Iceland-Topco-Ltd-2017-results.pdf>)

Question 7(b)

Percentage change in sales revenue 2013 to 2017



(Source: <http://about.iceland.co.uk/wp-content/uploads/2017/12/Iceland-Topco-Ltd-2017-results.pdf>)