

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

Total Marks

Business

Paper 2: Building a business

Tuesday 2 June 2020 – Afternoon

Time: 1 hour 30 minutes plus your additional time allowance.

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

Surname					
Other names					
Centre Number					
Candidate Number					

X61647A

Calculators may be used.

YOU WILL BE GIVEN

Data Book

INSTRUCTIONS

Answer ALL questions.

Answer the questions in the spaces provided in this Question Paper or in the Data Book – there may be more space than you need.

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 are multiple choice. Write the letter(s) of your chosen answer(s) in the box(es) provided.

1. (a) Which ONE of the following is a non–financial method of motivating an employee?

Select ONE answer.

- A Bonus
- B Commission
- C Job rotation
- D Remuneration

Answer

(1 mark)

(continued on the next page)

1. continued.

(b) Which ONE of the following is a type of organisational structure?

Select ONE answer.

A Freelance

B Hierarchical

C Permanent

D Temporary

Answer

(1 mark)

(continued on the next page)

1. continued.

(c) Explain ONE benefit to a business of using external recruitment to employ new staff.

(3 marks)

(continued on the next page)

1. continued.

(d) Explain ONE impact on a business from a lack of communication.

(3 marks)

(Total for Question 1 = 8 marks)

2. (a) Which TWO of the following are external sources of finance?

Select TWO answers.

- A Loan capital
- B Retained profit
- C Sales revenue
- D Selling assets
- E Share capital

Answers

(2 marks)

(continued on the next page)

2. continued.

(b) Which TWO of the following are methods of external growth for a business?

Select TWO answers.

A Improve promotion

B Innovation

C Merger

D Research and development

E Takeover

Answers

(2 marks)

(continued on the next page)

2. continued.

**Look at the table for Question 2(c) in the Data Book.
It contains financial information about the
performance of a business.**

**(c) Using the information in the table, calculate the
gross profit made by the business.**

You are advised to show your workings.

(2 marks)

£ _____

(continued on the next page)

Turn over

2. continued.

(d) Explain ONE benefit to a business of withdrawing a product when it enters the decline phase of its product life cycle.

(3 marks)

(continued on the next page)

Turn over

2. continued.

(e) Explain ONE benefit to a business from improving the aesthetic element of a product's design mix.

(3 marks)

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(Total for Question 2 = 12 marks)

Turn over

3. (a) Which ONE of the following is a stage in the sales process?

Select ONE answer.

A Product knowledge

B Product quality

C Production

D Productivity

Answer

(1 mark)

(continued on the next page)

3. continued.

Look at the diagram for Question 3(b) in the Data Book.

In 2018 a business sold three products, X, Y and Z. The diagram shows the sales revenue generated for each of these products.

- (b) Using the information in the diagram, calculate, to 2 decimal places, the percentage of total sales revenue made by product X in 2018. You are advised to show your workings.**
- (2 marks)**

_____ %

(continued on the next page)

Turn over

3. continued.

(c) Explain ONE drawback to a business from differentiating its product.

(3 marks)

(continued on the next page)

Turn over

3. continued.

(d) Explain ONE impact on a business from increased globalisation.

(3 marks)

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Turn over

3. continued.

(e) Discuss the impact on a business of becoming a public limited company (plc).

(6 marks)

Answer lines continue on the next page.

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3. (e) continued.

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(Total for Question 3 = 15 marks)

TOTAL FOR SECTION A = 35 MARKS

SECTION B

Answer ALL questions.

Read Extract 1 in the Data Book before answering Questions 4, 5 and 6.

Write your answers in the spaces provided.

4. (a) Outline ONE benefit to **KFC** of using batch production in its restaurants.

(2 marks)

(continued on the next page)

4. continued.

(b) Analyse the impact on KFC of providing poor customer service.

(6 marks)

Answer lines continue on the next page.

[illegible]

4. (b) continued.

[illegible]

(Total for Question 4 = 8 marks)

5. Look at the diagram for Question 5 in the Data Book.

It shows a bar gate stock graph which details the delivery of chicken portions to KFC's Exmouth restaurant during February 2018. During this time it received two deliveries of chicken portions. These are marked as **A** and **B**.

- (a) Using the information in the diagram, calculate the size of order **A**. You are advised to show your workings.

(2 marks)

_____ portions of chicken.

(continued on the next page)

5. continued.

- (b) Using the information in the diagram, calculate the number of days that **KFC's Exmouth** restaurant ran out of chicken.

You are advised to show your workings.

(2 marks)

_____ days.

(continued on the next page)

5. continued.

(c) Analyse the impact on KFC of poor supplier reliability.

(6 marks)

Answer lines continue on the next page.

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5. (c) continued.

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(Total for Question 5 = 10 marks)

6. (a) State ONE job role that may be found in a fast food outlet such as **KFC**.

(1 mark)

(continued on the next page)

6. continued.

(b) Outline ONE benefit to **KFC** of using social media to interact with its customers.

(2 marks)

(continued on the next page)

6. continued.

In order to regain its lost market share, **KFC** considered two options:

Option 1: lower prices

Option 2: use viral advertising.

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

(9 marks)

Answer lines continue on the next two pages.

6. (c) continued.

[illegible]

Turn over

6. (c) continued.

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(Total for Question 6 = 12 marks)

TOTAL FOR SECTION B = 30 MARKS

SECTION C

Answer ALL questions.

Read Extract 2 in the Data Book carefully and then answer Question 7.

Write your answers in the spaces provided.

7. (a) Define the term PRESSURE GROUP.

(1 mark)

Look at the diagram for Question 7(b) in the Data Book.

It shows information about the change in Iceland's sales revenue between 2013 and 2017.

(b) Using the information in the diagram, identify the year with the smallest percentage change in Iceland's sales revenue.

(1 mark)

(continued on the next page)

Turn over

7. continued.

- (c) Outline ONE factor that could influence
Iceland's choice of pricing strategy for its
range of new products.

(2 marks)

(continued on the next page)

7. continued.

In order to recruit employees for its new
'The Food Warehouse' stores, **Iceland** is
considering two options:

Option 1: offer permanent contracts

Option 2: offer temporary contracts.

(d) Justify which **ONE** of these two options
Iceland should choose.

(9 marks)

Answer lines continue on the next two pages.

Turn over

7. (d) continued.

[illegible]

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7. (d) continued.

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7. continued.

(e) Evaluate whether Iceland is likely to benefit from its decision to ban all plastic packaging on its own-brand products. You should use the information provided as well as your knowledge of business.

(12 marks)

Answer lines continue on the next four pages.

Turn over

7. (e) continued.

[illegible]

Turn over

7. (e) continued.

[illegible]

Turn over

7. (e) continued.

[illegible]

Turn over

7. (e) continued.

(Total for Question 7 = 25 marks)

TOTAL FOR SECTION C = 25 MARKS

TOTAL FOR PAPER = 90 MARKS

END OF PAPER
