

**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.**

<b>Surname</b>					
<b>Other names</b>					
<b>Centre Number</b>					
<b>Candidate Number</b>					

## 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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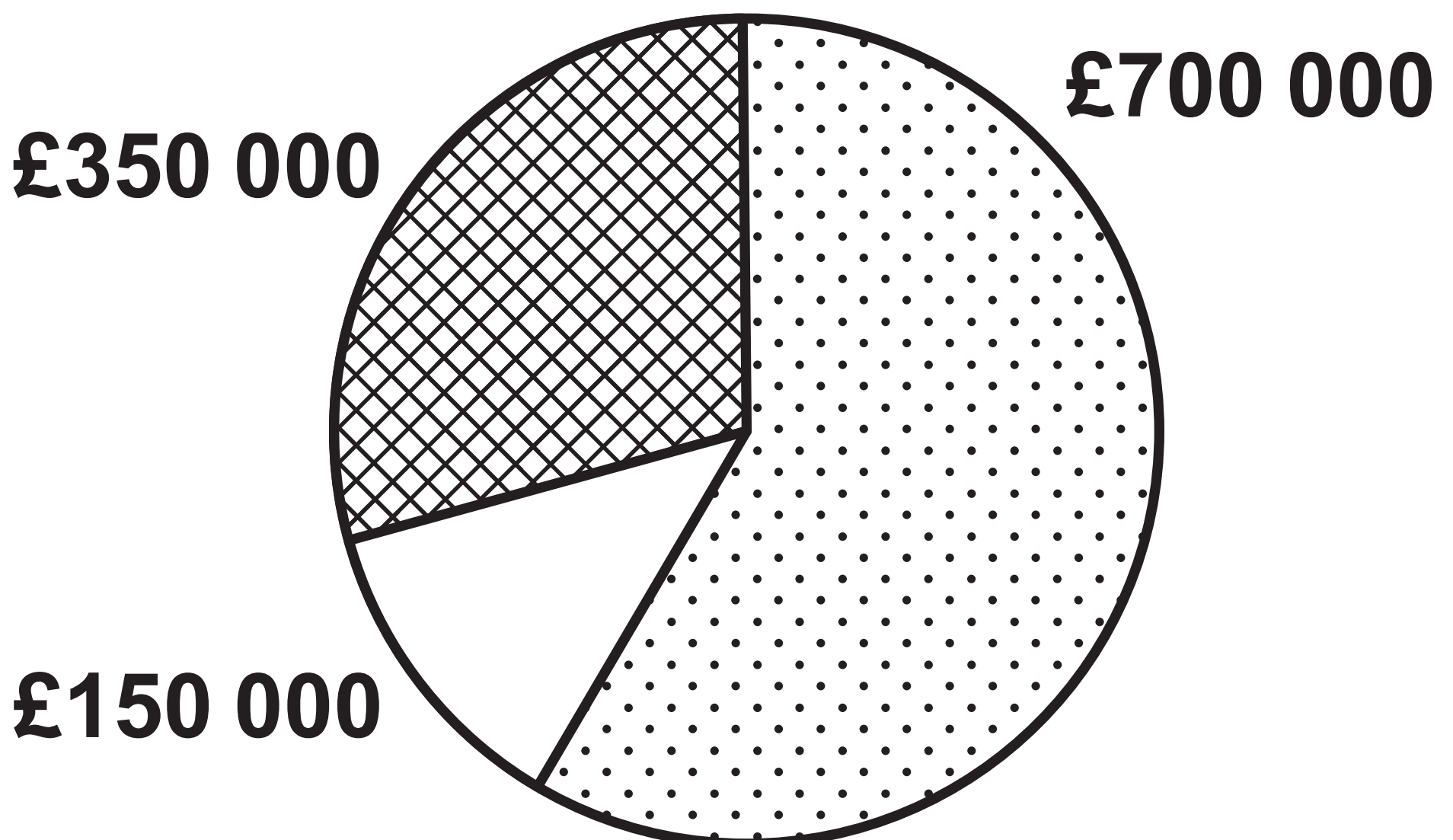
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## Question 2(c)

<b>Sales revenue</b>	<b>£625 000</b>
<b>Cost of sales</b>	<b>£145 000</b>
<b>Other operating expenses and interest</b>	<b>£200 000</b>

## 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.**

**(continued on the next page)**

**Extract 1 continued.**

**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.**

**(continued on the next page)**

**Extract 1 continued.**

**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.**

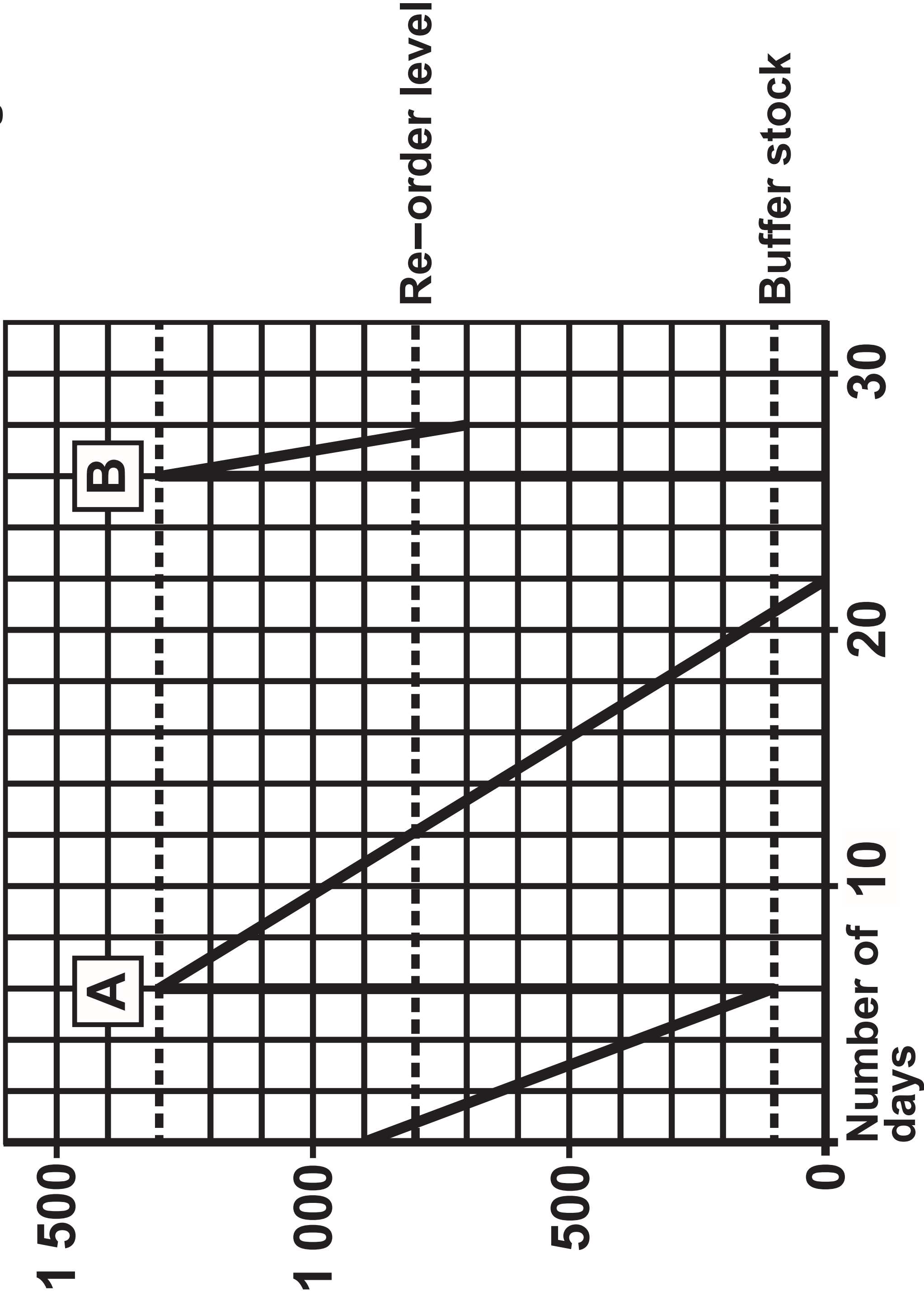
**As a result of these closures, KFC started losing market share to rival fast food restaurants such as Burger King. KFC used social media and a viral advertising campaign to apologise to customers. It also considered lowering the prices of its most popular food items to win back lost customers and recapture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

**(continued on the next page)**



**Extract 1 continued.**

**(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>)**



## 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**  
**(continued on the next page)**

**Extract 2 continued.**

**‘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 (continued on the next page)**

**Extract 2 continued.**

**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**

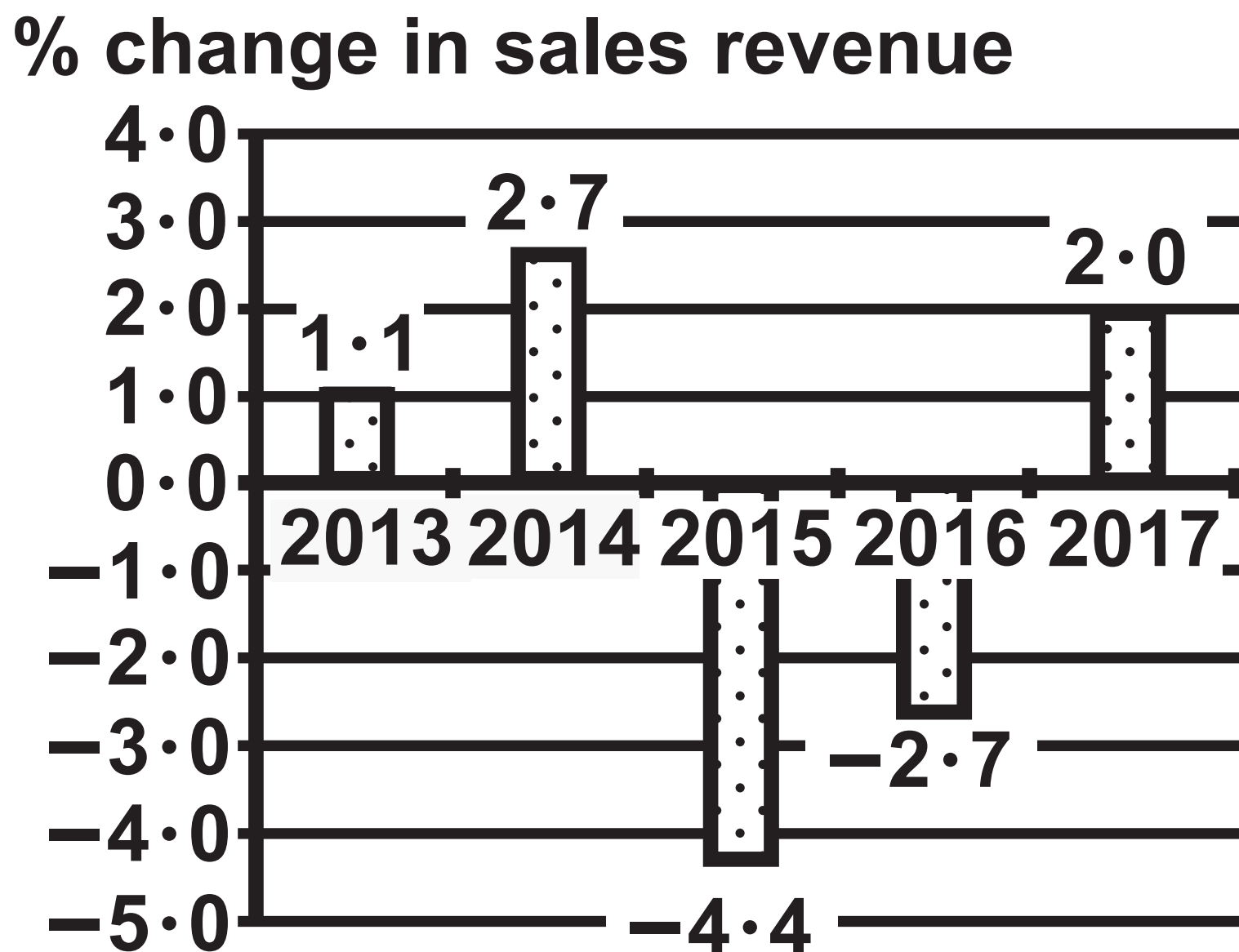
**be repeated by other supermarkets in the**

**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>)