

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

<b>Total Marks</b>
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**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.**

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

**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.**

**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.**

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## **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)**

**Turn over**

**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)**

**Turn over**

**1. continued.**

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

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**(continued on the next page)**

**Turn over**

**1. continued.**

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

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**(Total for Question 1 = 8 marks)**

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**Turn over**



**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)**

**Turn over**

**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)**

**Turn over**

**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)**

**Answer space continues on the next page.**

**Turn over**

**2. (c) continued.**

**£ \_\_\_\_\_**

**(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)**

**Answer lines continue on the next page.**

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**Turn over**

**2. (d) continued.**

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**2. continued.**

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

**(3 marks)**

**Answer lines continue on the next page.**

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**2. (e) continued.**

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**(Total for Question 2 = 12 marks)**

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**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)

Turn over

**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)**

**Answer space continues on the next page.**

**3. (b) continued**

\_\_\_\_\_ %

**(continued on the next page)**

**Turn over**

**3. continued.**

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

**(3 marks)**

**Answer lines continue on the next page.**

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**3. (c) continued.**

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**Turn over**

**3. continued.**

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

**(3 marks)**

**Answer lines continue on the next page.**

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3. (d) continued.

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**3. continued.**

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

**(6 marks)**

**Answer lines continue on the next two pages.**

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3. (e) continued.

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**3. (e) continued.**

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**(Total for Question 3 = 15 marks)**

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**TOTAL FOR SECTION A = 35 MARKS**

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**Turn over**

## **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)

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Turn over

**4. continued.**

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

**Answer lines continue on the  
next two pages.**

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**Turn over**

4. (b) continued.

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4. (b) continued.

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(Total for Question 4 = 8 marks)

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**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)**

**Answer space is on the next page.**

**Turn over**



**5. (a) continued.**

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**portions of chicken.**

**(continued on the next page)**

**Turn over**

**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)**

**Turn over**

**5. continued.**

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

**(6 marks)**

**Answer lines continue on the  
next two pages.**

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5. (c) continued.

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**5. (c) continued.**

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**(Total for Question 5 = 10 marks)**

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

(1 mark)

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**6. continued.**

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

**(2 marks)**

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**Turn over**

**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 three pages.**

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**Turn over**



**6. (c) continued.**

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

**Turn over**

**Turn over**

**(Total for Question 6 = 12 marks)**

**TOTAL FOR SECTION B = 30 MARKS**

**Turn over**

## **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)

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**7. continued.**

**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)**

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**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)**

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**Turn over**

**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 four pages.**

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**Turn over**



7. (d) continued.

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7. (d) continued.

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7. (d) continued.

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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 six pages.**

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**Turn over**

7. (e) continued.

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7. (e) continued.

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7. (e) continued.

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7. (e) continued.

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7. (e) continued.

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7. (e) continued.

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(Total for Question 7 = 25 marks)

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**TOTAL FOR SECTION C = 25 MARKS**

**TOTAL FOR PAPER = 90 MARKS**

**END OF PAPER**

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