

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

Total Marks
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**Business**  
**PAPER 1: Investigating small business**

**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>					

**YOU MUST HAVE**

**Nil**

**YOU WILL BE GIVEN**

**Data Booklet**

## **INSTRUCTIONS**

**Answer ALL questions.**

**Answer the questions in the spaces provided in this Question Paper or on the separate data sheets – there may be more space than you need.**

**Calculators may be used.**

**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.**

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

**Turn over**

**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 long-term source of finance?

Select ONE answer.

**A** Overdraft

**B** Revenue

**C** Trade credit

**D** Venture capital

Answer

(1 mark)

(continued on the next page)

1. continued.

(b) Which ONE of the following could be used to identify customer needs?

Select ONE answer.

**A** Business idea

**B** Business objectives

**C** Market research

**D** Marketing mix

Answer

(1 mark)

(continued on the next page)

**1. continued.**

**(c) Explain ONE drawback to a business of having low levels of cash.**

**(3 marks)**

[illegible]

**(continued on the next page)**

**Turn over**

**1. continued.**

**(d) Explain ONE way an entrepreneur can reduce the risk of failure when starting a new business.**

**(3 marks)**

[illegible]

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

**Turn over**



2. (a) Which TWO of the following can be interpreted from a break even diagram?

Select TWO answers.

- A Insolvency
- B Margin of safety
- C Market share
- D Net cash flow
- E Profit

Answers

(2 marks)

(continued on the next page)

**2. continued.**

**(b) Which TWO of the following are types of technology that could be used by a business?**

**Select TWO answers.**

**A Consumer law**

**B Crowd funding**

**C Digital communication**

**D Marketing mix**

**E Payment systems**

**Answers**

**(2 marks)**

**(continued on the next page)**

**Turn over**

**2. continued.**

**Look at the table for Question 2(c) in the Data Booklet.**

**It shows the cash—flow forecast for a small business.**

**(c) Complete the table in the Data Booklet with the TWO missing figures.**

**(2 marks)**

**(continued on the next page)**

**2. continued.**

**(d) Explain ONE reason why an entrepreneur may adapt an existing product to come up with a new business idea.**

**(3 marks)**

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**Turn over**

**2. continued.**

**(e) Explain ONE disadvantage to a small business of using a focus group to collect market research data.**

**(3 marks)**

[illegible]

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

**Turn over**

3. (a) Which ONE of the following is a disadvantage of starting a partnership?

Select ONE answer.

- A Business owners have different skills
- B Can be easier to raise finance
- C Business decisions affect all partners
- D Financial information is kept private

Answer

(1 mark)

(continued on the next page)

**3. continued.**

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

**It shows the sales revenue of a business from January to April.**

**(b) Using the information in the Data Booklet, calculate, to 2 decimal places, the percentage decrease in sales revenue from January to March. You are advised to show your workings. (2 marks)**

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

3. (b) continued.

\_\_\_\_\_ %

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**3. continued.**

**(c) Explain ONE disadvantage to a small business of an increase in interest rates.**

**(3 marks)**

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**Turn over**

**3. continued.**

**(d) Explain ONE disadvantage to a small business of manufacturing a high quality product.**

**(3 marks)**

[illegible]

**(continued on the next page)**

**Turn over**

**3. continued.**

**(e) Discuss the impact on a small business from the introduction of new employment laws.**

**(6 marks)**

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

[illegible]

**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 the extract for Section B in the Data Booklet before answering Questions 4, 5 and 6.**

**Write your answers in the spaces provided.**

4. (a) Outline ONE way that **Sports Tours Ltd** meets customer needs.

(2 marks)

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**4. continued.**

**(b) Analyse the impact of the internet on the location of Sports Tours Ltd's premises.**

**(6 marks)**

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

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**4. (b) continued.**

[illegible]

**(Total for Question 4 = 8 marks)**

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**Sports Tours Ltd** has been organising football tours to Munich, Germany since **2010**. The price of a hotel room in Munich in **2010** was **€100**.

- 5.** Look at the table for Question 5 in the Data Booklet. It shows the value of the pound (£) in euros (€) in June **2010** and June **2019**.

- (a) Using the information in the table in the Data Booklet, calculate, to **2** decimal places, the price in pounds (£) of a hotel room in **2010**.  
You are advised to show your workings.  
(2 marks)

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

5. (a) continued.

£ \_\_\_\_\_

(continued on the next page)

**5. continued.**

**In 2019 the cost of a hotel room had increased to €130.**

**(b) Using the information in the table in the Data Booklet, calculate, to 2 decimal places, the price in pounds (£) of a hotel room in 2019. You are advised to show your workings. (2 marks)**

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

5. (b) continued.

£ \_\_\_\_\_

(continued on the next page)

**5. continued.**

**(c) Analyse the impact on Sports Tours Ltd of using market mapping to target customers.**

**(6 marks)**

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

[illegible]

**5. (c) continued.**

[illegible]

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

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6. (a) State ONE fixed cost that Sports Tours Ltd will need to pay.

(1 mark)

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6. continued.

(b) Outline ONE likely impact of changing levels of consumer income on **Sports Tours Ltd.**

(2 marks)

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6. continued.

In order to add value to its business activities

**Sports Tours Ltd** is considering two options:

**OPTION 1: using professional sports venues for  
tournaments**

**OPTION 2: providing teams with top class coaching  
when on tour.**

(c) Justify which **ONE** of these two options  
**Sports Tours Ltd** should choose.

(9 marks)

Answer lines continue on the next two pages.

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Turn over

**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**

**Turn over**

## **SECTION C**

**Answer ALL questions.**

**Read the extract for Section C in the Data Booklet carefully and then answer Question 7.**

**Write your answers in the spaces provided.**

7. (a) State ONE example of a cash outflow for  
**That Feeling.**

(1 mark)

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(continued on the next page)

**7. continued.**

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

**It shows the age of entrepreneurs starting businesses in the UK since 2000.**

**(b) Using the information in the diagram in the Data Booklet, identify what percentage of entrepreneurs were in the same age range as Justin when he started **That Feeling**.**

**(1 mark)**

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**(continued on the next page)**

7. continued.

- (c) Outline ONE benefit to employees at  
**That Feeling** from being mentored by Justin.  
(2 marks)

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7. continued.

In order to improve its brand awareness,

**That Feeling** is considering two options:

**OPTION 1:** increase its range of own brand clothing

**OPTION 2:** open a second shop.

(d) Justify which **ONE** of these two options

**That Feeling** should choose.

(9 marks)

Answer lines continue on the next two pages.

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**7. (d) continued.**

[illegible]

**Turn over**

**7. (d) continued.**

[illegible]

**(continued on the next page)**

**Turn over**

**7. continued.**

**(e) Evaluate the importance of achieving non-financial objectives for the success of That Feeling. You should use the information provided as well as your knowledge of business.**

**(12 marks)**

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

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**7. (e) continued.**

[illegible]

**Turn over**

**7. (e) continued.**

[illegible]

**Turn over**

**7. (e) 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.

**(Total for Question 7 = 25 marks)**

**TOTAL FOR SECTION C = 25 MARKS**

**TOTAL FOR PAPER = 90 MARKS**

**END OF PAPER**