

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

Total Marks

Business
PAPER 2: Building a business

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					

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 – 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.

Calculators may be used.

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.

Good luck with your examination.

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. Look at the diagram for Question 1 in the Data Booklet.

It shows the organisational structure of a business.

- (a) Which ONE of the following organisational structures is shown in the diagram?

Select ONE answer.

A Decentralised

B Flat

C Hierarchical

D Remote

Answer

(1 mark)

(continued on the next page)

1. continued.

(b) Which ONE of the following documents states the qualities an employer is looking for in a new employee?

Select ONE answer.

A Application form

B CV

C Job description

D Person specification

Answer (1 mark)

(continued on the next page)

1. continued.

(c) Explain ONE impact that a pressure group can have on a business.

(3 marks)

(continued on the next page)

Turn over

1. continued.

(d) Explain ONE disadvantage to a business of having poor customer service.

(3 marks)

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(Total for Question 1 = 8 marks)

2. (a) Which TWO of the following are examples of goods?

Select TWO answers.

A Cars

B Education

C Hairdressing

D Televisions

E Train journeys

Answers

(2 marks)

(continued on the next page)

2. continued.

(b) Which TWO of the following would allow a business to improve employee retention?

Select TWO answers.

A Decreased remuneration

B Excessive communication

C Introducing job rotation

D Providing training

E Reduced employee autonomy

Answers

(2 marks)

(continued on the next page)

2. continued.

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

It contains financial information about a business.

(c) Using the information in the table in the Data Booklet, calculate the net profit of the business.

(2 marks)

£ _____

(continued on the next page)

2. continued.

(d) Explain ONE reason why aesthetics may be important in the design mix of a product.

(3 marks)

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Turn over

2. continued.

(e) Explain ONE drawback to a business of introducing a system of quality assurance.

(3 marks)

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(Total for Question 2 = 12 marks)

3. (a) Procurement involves a business having a strong relationship with which ONE of the following stakeholder groups?

Select ONE answer.

- A Local community
- B Managers
- C Pressure groups
- D Suppliers

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 market share of each business in a market.

(b) Using the information in the diagram in the Data Booklet, calculate the market share of Business E. You are advised to show your workings.

(2 marks)

_____ %

(continued on the next page)

Turn over

3. continued.

(c) Explain ONE reason why having a post–sales service may be important to a business.

(3 marks)

(continued on the next page)

Turn over

3. continued.

**(d) Explain ONE impact on a business from
reducing the size of its workforce.**

(3 marks)

(continued on the next page)

Turn over

3. continued.

(e) Discuss the disadvantage to a business of using a just in time (JIT) system of stock control.

(6 marks)

Answer lines continue on the next page.

3. (e) continued.

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(Total for Question 3 = 15 marks)

TOTAL FOR SECTION A = 35 MARKS

Turn over

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 drawback to **Tesla** of using e-commerce to generate sales.

(2 marks)

(continued on the next page)

4. continued.

(b) Analyse the benefit to Tesla of using flow production in its new factory.

(6 marks)

Answer lines continue on the next page.

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4. (b) continued.

[illegible]

(Total for Question 4 = 8 marks)

5. Look at the table for Question 5 in the Data Booklet. It contains information about the price of a **Tesla Model 3** car between **2017** and **2019**.

- (a) Using the information in the table in the Data Booklet, calculate the percentage reduction in the price of a **Tesla Model 3** car between **2017** and **2019**.

(2 marks)

_____ %

(continued on the next page)

5. continued.

(b) Using the information in the table in the Data Booklet, calculate the average price of a **Tesla Model 3** car over the three year period between **2017** and **2019**.

(2 marks)

£ _____

(continued on the next page)

5. continued.

(c) Analyse the impact on Tesla of increasing levels of globalisation.

(6 marks)

Answer lines continue on the next page.

[illegible]

5. (c) continued.

[illegible]

(Total for Question 5 = 10 marks)

6. (a) State ONE impact to **Tesla** of continuing to make a loss.

(1 mark)

(continued on the next page)

6. continued.

(b) Outline ONE drawback to **Tesla** of a government introducing tariffs on imports from the US.

(2 marks)

(continued on the next page)

6. continued.

In order to raise the finance for its new Chinese factory, **Tesla** is considering two options:

Option 1: share capital

Option 2: loan capital.

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

(9 marks)

Answer lines continue on the next two pages.

6. (c) continued.

[illegible]

Turn over

6. (c) continued.

[illegible]

(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) Give ONE element of the marketing mix.
(1 mark)

(continued on the next page)

7. continued.

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

It shows the **ASOS** share price over time.

(b) Using the information in the diagram in the Data Booklet, identify the year when the **ASOS** share price was higher than £70.

(1 mark)

(continued on the next page)

7. continued.

(c) Outline ONE advantage to **ASOS** of increasing the range of products offered for sale on its website.

(2 marks)

(continued on the next page)

7. continued.

In order to increase its profits, **ASOS** is considering two options:

Option 1: lower prices

Option 2: advertise on more social media channels.

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

(9 marks)

Answer lines continue on the next two pages.

Turn over

7. (d) continued.

[illegible]

Turn over

7. (d) continued.

[illegible]

(continued on the next page)

Turn over

7. continued.

(e) Evaluate whether high quality logistics will give **ASOS** a competitive advantage. You should use the information provided as well as your knowledge of business.

(12 marks)

Answer lines continue on the next three pages.

[illegible]

Turn over

7. (e) continued.

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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
