

Delegate Pack

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GCSE Business (9–1) Face to Face

18BAB03

Marking Activity 1:

Sample 1: 'Calculate':

Figure 1 shows sales volumes for a business during the first three months of 2016.

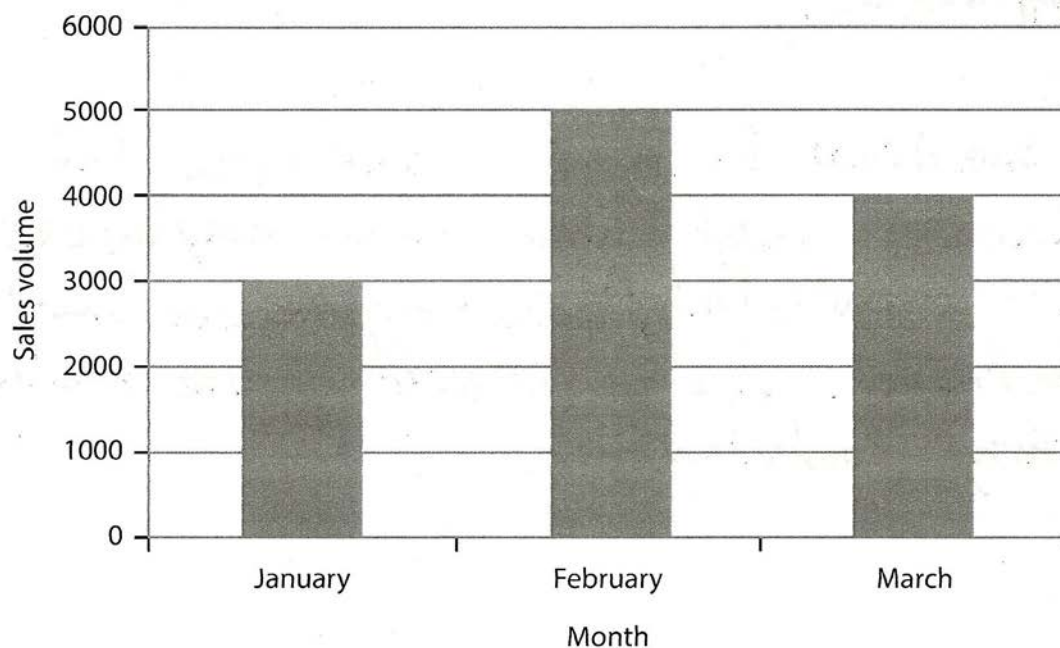


Figure 1

The selling price of the product is £500.

- (b) Using the information in Figure 1, calculate the sales revenue of the business for the first three months of 2016. You are advised to show your workings.

(2)

$$(3000 + 5000 + 4000) \times 500 = 6,000,000$$

/ £ 6,000,000

(Question 3(b) SAM Paper 2 Section A)

Sample 2: 'Calculate'

Table 1 contains information about a business.

Sales revenue	£300 000
Cost of sales	£210 000
Gross profit	£90 000

Table 1

- (c) Using the information in Table 1 calculate the gross profit margin. You are advised to show your workings.

(2)

$$\begin{aligned} \text{GPM} &= \frac{\text{Gross Profit}}{\text{Sales Revenue}} \times 100 \\ &= \frac{90,000}{300,000} \times 100 = 30 \end{aligned}$$

(Question 2(c) SAM Paper 2 Section A)

Sample 3: 'Outline'

- 4 (a) Outline **one** method of promotion that would be appropriate for *Meringue*.

(2)

Meringue could produce discount vouchers, to encourage more repeat custom.

(Question 4(a) SAM Paper 1 Section B)

Sample 4: 'Outline'

- 5 As a result of the queues in the shop, Neil and Sue have decided to implement a contactless payment system at *Meringue*.

- (a) Outline **one** impact on *Meringue* of lengthy queues as customers wait to pay.

(2)

Deter customers away if they are passing, meaning they would go to ~~an~~ local competitors with more efficient ways of paying for food.

(Question 5(a) SAM Paper 1 Section B)

Sample 5: 'Explain'

(c) Explain **one** reason why a business may decide to pay its workers a bonus.

(3)

One reason a business may pay bonus is because it motivates workers. This means employee turnover is lower and as a result the business has to spend less money on finding and training new employees.

(Question 3(c) SAM Paper 2 Section A)

Sample 6: 'Explain'

(e) Explain **one** disadvantage to a business of providing poor customer service.

(3)

One disadvantage of poor customer service is that ~~ess~~ consumers may have a poor experience with the business. This means they are less likely to repeat purchase. As a result, in the long term the business will make less sales and profit.

(Total for Question 2 = 12 marks)

(Question 2(e) SAM Paper 2 Section A)

Sample 7: 'Discuss'

(e) Discuss the likely benefit to a business of having a decentralised organisational structure.

(6)

A decentralised organisational structure is where decisions are made at each branch. This means decisions are more accurate for the individual branch. ~~As a result,~~ However, it reduces the consistency between branches.

A benefit of having a decentralised organisational structure is that stock can be specialised to the needs of local customers. This will lead to increased customer attraction. As a result, sales will go up.

(Question 3(e) SAM Paper 2 Section A)

Marking Activity 2:

Sample 1: 'Evaluate'

- (e) Evaluate whether Sainsbury's is likely to benefit from its takeover of Home Retail Group. You should use the information provided as well as your knowledge of business.

(12)

One advantage of Sainsbury's taking over Home Retail group, is that it will be able to create a competitive advantage. This is because it will add differentiation to its brand by being able to sell non-food items in a supermarket and all in one place. This adds convenience to shopping at Sainsbury's and so also adds value, resulting in more consumers wanting to shop at Sainsbury's and not competitors such as Morrisons.

However, with both stores of Argos and Sainsbury's combining, there will be a cost of integration (as stores will have to be refitted etc). When a store combines, this means one is also shut down and so the need for staff is reduced. This means a lot of staff will be let-off and therefore motivation levels will decrease, and as a result they may ~~not~~ not be able to achieve their expectation of faster service as production levels could decrease also.

Overall, it will be a benefit to Sainsbury's to takeover Home Retail Group, because they will be able to remove excessive fixed costs (through being able to employ less staff and running less stores for example). This means that they will be able to improve efficiency and therefore ~~improve~~ take advantage of economies of scale. This will result in Sainsbury's being able to lower their prices to compete with brands such as Tesco, or ~~the~~ increase their profit margins.

(Question 7(e) SAM Paper 2 Section C)

Sample 2: 'Evaluate'

- (e) Evaluate whether Sainsbury's is likely to benefit from its takeover of Home Retail Group. You should use the information provided as well as your knowledge of business.

(12)

A takeover is when ~~one~~ ~~buy~~ over 50% of the share capital of a target company is ~~bought~~ purchased. acquired. eg. Sainsbury's paying £1.3bn to takeover Argos.

One benefit of Sainsbury's takeover of Argos is that ^{they will} ~~by~~ having everything from food to technology, all in one store. This means ~~they~~ consumers are more likely to find what they want. As a result, they can do all their shopping in Sainsbury's, creating a competitive advantage via a one stock shop. * Also, another benefit is that the companies' will both be located in the same stores. This means Argos' 840 stores can be placed in Sainsbury's 1304. This will lead to less fixed costs ~~as~~ such as lighting and heating bills, as they have removed store duplication. Additionally,

* Therefore consumers ~~are~~ more likely to shop at Sainsbury's than at competitors such as Waitrose and Tesco.

Additionally, another advantage is that ~~less~~ staff a takeover removes duplicated staff. This further reduces fixed costs. As a result they can afford to charge lower prices than competitors like Amazon and Tesco, so they are more competitive.

(Question 7(e) SAM Paper 2 Section C)

Sample 3: 'Evaluate'

- (e) Evaluate whether Sainsbury's is likely to benefit from its takeover of Home Retail Group. You should use the information provided as well as your knowledge of business.

(12)

Sainsbury's takeover will be a benefit because it enables them to use up excessive space within its stores which ~~are~~^{consumers} increasingly do not want to use. This means excessive fixed costs will be ~~to~~ removed whilst increasing the efficiency of stores. This is because it makes Sainsbury's a 1 stop shop for everything. Therefore Sainsbury's gains a competitive advantage over competitors like Tesco and Lidl. Also it enables Sainsbury's to get rid of duplicated staff meaning once again costs will be lower. Meaning Sainsbury's ~~will~~ may be able to compete on price with the market leader ~~Sainsbury's~~ Tesco.

However, a downside to the takeover could be the costs of integration will be high. This means ~~Argos~~ Sainsbury's will not be able to compete ^{on price} with Tesco or Aldi. As a result Sainsbury's may lose customers to these competitors. Also the integration could lead to a clash in culture. This means motivation may be lower. As a result productivity will decrease.

In conclusion, it depends, in the short term it will not benefit Sainsbury's because costs will be higher and motivation will be lower for a time. However in the long term, Sainsbury's will gain a competitive advantage and productivity will recover meaning Sainsbury's should takeover Argos.

Analysing Meringue: Exam-based teaching activity

Below is the context for SAM Paper 1 Section B.

Meringue café

Neil and Sue Chatterton own and run *Meringue* bakery and café. This is located close to a town centre and has lots of passing trade. *Meringue* produces high-quality bread and pastries using traditional methods and high-quality ingredients. Since opening 12 months ago sales have grown strongly. At busy times a queue builds up at the counter as customers wait to pay. Online reviews indicate that this is something that needs to improve.

Neil and Sue are now planning to make greater use of technology to promote the business, and to reduce the time that customers have to wait to pay their bills.

The website has been redesigned to allow customers to order their food before they arrive at the café. A contactless payment system will allow customers to pay securely by tapping their smart phones on a reader.



Figure 1

Build an answer: Stage 1:

Think of **three** words which relate to Meringue café without using the words 'Meringue' or 'café'.

e.g. bakery, cake, snack

Build an answer: Stage 2:

From the starter activity (before lunch), choose a type of social media which could be used by Meringue café and **three** words which relate to the use of that type of social media.

e.g. post, retweet, tweet



Build an answer Stage 3:

How could this social media be used by Meringue café?			
Using some of the words you have written about Meringue café and social media, select two <i>connectives</i> to help you answer this.			
...which allows...	...this leads to...	...so that...	...this will...
...could cause...	...therefore...	...which makes it likely that...	...because...
...as a result...	...thus...	...which could result...	
e.g. to tweet special offers... <i>connective</i> ... [develop the point]... <i>connective</i> [and develop it further]			

Build an answer: Stage 4:

What impact could this have on Meringue café?			
Using some of the words you have written about Meringue café and social media, select three <i>connectives</i> to help you answer this.			
...which allows...	...this leads to...	...so that...	...this will...
...could cause...	...therefore...	...which makes it likely that...	...because...
...as a result...	...thus...	...which could result...	
e.g. increase the likelihood of attracting younger customers to the bakery ... <i>connective</i> ... [develop the point]... <i>connective</i> [and develop it further]			

Now write down what question you have just, in stages, written the answer to.