



Pearson Edexcel
Level 1/Level 2 GCSE (9–1)

Pearson

1BS0/02

Business

Paper 2: Building a business

Tuesday 4 June 2019 – Afternoon

Transcription of the Braille Version

Question Paper

UEB Grade 2

U59926A

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1BS0/02
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June 2019

Business
Paper 2: Building a business
Tuesday 4 June 2019
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Time: 1 hour 30 minutes plus your additional time allowance.

YOU MUST HAVE
Data Book

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INSTRUCTIONS

Write your centre number, candidate number, surname and other names on your answer paper.

Answer **all** questions.

Answer the questions on your answer paper.

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 number of print lines available and the marks for **each** question are shown in square brackets, for example: [2 lines, 1 mark] – use this as a guide as to how much time to spend on each question.

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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.

Please note: this paper contains facing pages.

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SECTION A

Answer ALL questions.

Write your answers on your answer paper.

Some questions are multiple choice. Write the letter(s) of your chosen answer(s) on your answer paper.

1. (a) Which **one** of the following is an element of the design mix?

Select **one** answer. [1 mark]

- A. Cost
- B. Price
- C. Product
- D. Quality

[Question 1 continues on the next page]

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(b) Which **one** of the following is an example of an internal source of finance?

Select **one** answer. [1 mark]

- A. Loan capital
- B. Selling assets
- C. Share capital
- D. Stock market flotation

(c) Explain **one** drawback to a business of using job production. [9 print lines, 3 marks]

(d) Explain **one** advantage to a business of producing a high quality product. [9 lines, 3 marks]

[Total for Question 1 = 8 marks]

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2. (a) Which **two** of the following are likely to be sent to a business by a person applying for a job?

Select **two** answers. [2 marks]

- A. Application form
- B. CV
- C. Job advert
- D. Job description
- E. Person specification

(b) Which **two** of the following are likely to increase the productivity of a business?

Select **two** answers. [2 marks]

- A. Excessive communication
- B. Pressure groups
- C. Retraining employees
- D. Increased product range
- E. Introducing new technology

[Question 2 continues on the next page]

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Table 1 below contains information about a new piece of machinery that a business wants to purchase.

Table 1

Average annual profit £100 000
Cost of new machine £400 000

(c) Using the information in Table 1, calculate the average rate of return. You are advised to show your workings. Write your answer as a percentage. [2 marks]

(d) Explain **one** benefit to a business of having a good relationship with its suppliers. [9 lines, 3 marks]

(e) Explain **one** advantage to a business of improving its environmental sustainability. [9 lines, 3 marks]

[Total for Question 2 = 12 marks]

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3. (a) Which **one** of the following is a barrier to international trade?
Select **one** answer. [1 mark]

- A. Aesthetics
- B. Ethics
- C. Tariffs
- D. Trade-offs

Look at Figure 1 in the data book. It shows the sales revenue of a business over three years.

(b) Using the information in Figure 1, calculate the percentage increase in sales revenue from 2015 to 2016. You are advised to show your workings. [2 marks]

(c) Explain **one** method a business could use to differentiate its product. [9 lines, 3 marks]

[Question 3 continues on the next page]

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(d) Explain **one** possible barrier to effective communication within a business. [9 lines, 3 marks]

(e) Discuss the impact on a business of giving employees permanent contracts. [18 lines, 6 marks]

[Total for Question 3 = 15 marks]

TOTAL FOR SECTION A = 35 MARKS

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SECTION B

Answer ALL questions.

Read the extract for Section B in the data book before answering Questions 4, 5 and 6.

Write your answers on your answer paper.

4. (a) Outline **one** method *Mind Candy* could use to extend the product life cycle of one of its games. [6 lines, 2 marks]

(b) Analyse the impact on *Mind Candy* of reducing the size of its workforce. [18 lines, 6 marks]

[Total for Question 4 = 8 marks]

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5. Table 2 contains information about *Mind Candy's* performance in 2013.

Table 2

Sales revenue	£30 560 692
Gross profit	£22 190 385
Other operating expenses and interest	£25 044 332

(a) Using the information in Table 2, calculate *Mind Candy's* cost of sales. You are advised to show your workings.

Write your answer in £. [2 marks]

[Question 5 continues on the next page]

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(b) Using the information in Table 2, calculate to 2 decimal places, *Mind Candy's* gross profit margin. You are advised to show your workings.

Write your answer as a percentage. [2 marks]

As a result of the problems it faced in 2013, *Mind Candy* changed its main business objective from growth to survival.

(c) Analyse the impact on *Mind Candy* of changing its main business objective to survival. [18 lines, 6 marks]

[Total for Question 5 = 10 marks]

[braille page 13]

6. (a) State **one** drawback to *Mind Candy* of organic growth. [3 lines, 1 mark]

(b) Outline **one** method *Mind Candy* could use to promote its new app. [6 lines, 2 marks]

In order to raise the £1.2 million of extra finance needed, *Mind Candy* considered two options:

Option 1: retained profit

Option 2: share capital.

(c) Justify which **one** of these two options *Mind Candy* should choose. [27 lines, 9 marks]

[Total for Question 6 = 12 marks]

TOTAL FOR SECTION B = 30 MARKS

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SECTION C

Answer ALL questions.

Read the extract for Section C in the data book carefully and then answer Question 7.

Write your answers on your answer paper.

7. (a) Give **one** stage of the sales process. [3 lines, 1 mark]

Figure 2 on the facing page shows the market share of UK supermarkets in 2017.

(b) Using the information in Figure 2, identify the UK supermarket with a larger market share than *Sainsbury's*. [3 lines, 1 mark]

[Question 7 continues on the next page]

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Figure 2

Aldi	6.2%
Asda	10.5%
Co-operative	7.0%
Morrisons	15.1%
Sainsbury's	16.0%
Tesco	27.8%
All other supermarkets	17.4%

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(c) Outline **one** advantage to *Sainsbury's* of improving its customer service. [6 lines, 2 marks]

In order to improve the motivation of its shop floor employees, *Sainsbury's* is considering two options:

Option 1: retraining

Option 2: increase wages.

(d) Justify which **one** of these two options *Sainsbury's* should choose. [27 lines, 9 marks]

[Question 7 continues on the next page]

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(e) Evaluate the likely impact on *Sainsbury's* of replacing Fairtrade with its own Fairly Traded scheme. You should use the information provided as well as your knowledge of business. [47 lines, 12 marks]

[Total for Question 7 = 25 marks]

TOTAL FOR SECTION C = 25 MARKS

TOTAL FOR PAPER = 90 MARKS

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Sources

Table 2

(Source: adapted from <https://beta.companieshouse.gov.uk/company/05119483/filing-history>)

Figure 2

(Source: <https://www.kantarworldpanel.com/en/grocery-market-share/great-britain>)