



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

Pearson

1BS0/01

Business

Paper 1: Investigating small business

Friday 24 May 2019 – Morning

Transcription of the Braille Version

Question Paper

UEB Grade 2

U59925A

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1BS0/01
Pearson Edexcel
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GCSE (9–1)
May 2019

Business
Paper 1: Investigating small
business
Friday 24 May 2019
Morning

Time: 1 hour 30 minutes plus your additional time allowance.

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

Materials
Data Book

[braille page 2]
INSTRUCTIONS

Answer **all** questions.

Answer the questions on your answer paper.

Calculators may be used.

You are advised to **show all of 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.

[braille page 3]
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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[braille page 4]

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.

[braille page 5]

1. (a) Which **one** of the following is a short-term source of finance?

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

- A. Retained profit
- B. Share capital
- C. Trade credit
- D. Venture capital

(b) Which **one** of the following is a definition of an exchange rate?

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

- A. The flow of goods and services into a country
- B. The value of one currency in terms of another currency
- C. A tax on a particular good or service
- D. When businesses operate on an international scale

[Question 1 continues on the next page]

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(c) Explain **one** benefit to an entrepreneur of buying a franchise to start a business. [9 print lines, 3 marks]

(d) Explain **one** way a small business could use market segmentation to target customers. [9 lines, 3 marks]

[Total for Question 1 = 8 marks]

[braille page 7]

2. (a) Which **two** of the following are elements of the marketing mix?
Select **two** answers. [2 marks]

- A. Payment
- B. Planning
- C. Price
- D. Product
- E. Profit

(b) Which **two** of the following areas are covered by employment law?
Select **two** answers. [2 marks]

- A. Consumer rights
- B. Discrimination
- C. E-commerce
- D. Health and safety
- E. Quality of products

[Question 2 continues on the next page]

[braille page 8]

Table 1 below contains information about a small business for one month. The business sold 340 units in this month.

Table 1

Fixed costs	£3 600
Variable costs (per unit)	£9

(c) Using the information in Table 1, calculate the total costs for one month. You are advised to show your workings.
Write your answer in £. [2 marks]

(d) Explain **one** possible non-financial aim an entrepreneur may have when starting a small business. [9 lines, 3 marks]

[Question 2 continues on the next page]

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(e) Explain **one** disadvantage to a small business of using qualitative data for market research. [9 lines, 3 marks]

[Total for Question 2 = 12 marks]

[braille page 10]

3. (a) Which **one** of the following is an example of a cash outflow for a small business?

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

- A. Bank loan
- B. Personal savings
- C. Raw materials
- D. Receipts

Look at Figure 1 in the data book. It shows information about the financial performance of a business from January to March.

(b) Using the information in Figure 1, calculate the total profit for the period January to March. You are advised to show your workings.

Write your answer in £. [2 marks]

[Question 3 continues on the next page]

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(c) Explain **one** benefit to a small business of understanding customer needs. [9 lines, 3 marks]

(d) Explain **one** reason why it is important to include financial information in a business plan. [9 lines, 3 marks]

(e) Discuss the importance of cash to the survival of a small business. [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** risk taken by the owners when starting *Last Course Patisserie*.
[6 lines, 2 marks]

(b) Analyse the impact on *Last Course Patisserie* of operating as a private limited company. [17 lines, 6 marks]

[Total for Question 4 = 8 marks]

[braille page 13]

5. *Last Course Patisserie* has the following financial information for the month of April.

Table 2

April	
Raw materials	
for each dessert	£0.50
Packaging for each dessert	£0.20
Fixed costs	£2 730
Selling price for each dessert	£2.00

(a) Using the information in Table 2, calculate the level of output (number of desserts) required to break-even in April. You are advised to show your workings. [2 marks]

[Question 5 continues on the next page]

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In May suppliers increased the cost of raw materials by 4%.

(b) Using the information in Table 2, calculate the variable cost per dessert following the increase in the cost of raw materials.

Write your answer in £. [2 marks]

UK consumer incomes are expected to rise over the next 10 years.

(c) Analyse the likely impact on *Last Course Patisserie* of this changing level of consumer income. [18 lines, 6 marks]

[Total for Question 5 = 10 marks]

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6. The new head chef carried out secondary market research to identify information about the food market.

(a) State **one** benefit to *Last Course Patisserie* of conducting secondary market research. [3 lines, 1 mark]

(b) Outline **one** impact on a stakeholder group of *Last Course Patisserie* if it relocates to new premises. [6 lines, 2 marks]

[Question 6 continues on the next page]

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In order to increase the number of desserts that can be produced to meet the extra demand, *Last Course Patisserie* is considering two options:

Option 1: investing in new machinery

Option 2: employing more staff.

(c) Justify which **one** of these two options *Last Course Patisserie* 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.

[braille page 18]

7. (a) State **one** way *Aphrodite* could use social media. [3 lines, 1 mark]

Table 3 below shows the value of the pound (£) in euros (€) from June to September.

Table 3

Month	Number of euro (€) per pound (£)
June	1.13
July	1.11
August	1.09
September	1.14

(b) Identify, from Table 3, which month was best for *Aphrodite* to import clothes from Paris. [3 lines, 1 mark]

[Question 7 continues on the next page]

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(c) Outline **one** reason why *Aphrodite*'s range of stock could give it an advantage over its competitors. [6 lines, 2 marks]

To pay for the conversion of the premises, *Aphrodite* is considering two options:

Option 1: obtaining a bank loan

Option 2: crowd funding.

(d) Justify which **one** of these two options *Aphrodite* should choose. [28 lines, 9 marks]

[Question 7 continues on the next page]

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(e) Evaluate the impact of e-commerce on *Aphrodite*'s marketing mix. 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
