

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

Business
Paper 2: Building a business

Tuesday 4 June 2019 – Afternoon

Data Book

In the boxes below, write your name, centre number and candidate number.

Surname					
Other names					
Centre Number					
Candidate Number					

INSTRUCTIONS

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

**THIS DATA BOOK *MUST* BE RETURNED WITH THE
QUESTION PAPER AT THE END OF THE EXAMINATION.**

Contents

Page

SECTION A

4 Question 2(c)

5 Question 3(b)

SECTION B

6 Questions 4 to 6

7 Question 5

SECTION C

8 Question 7

9 Question 7(b)

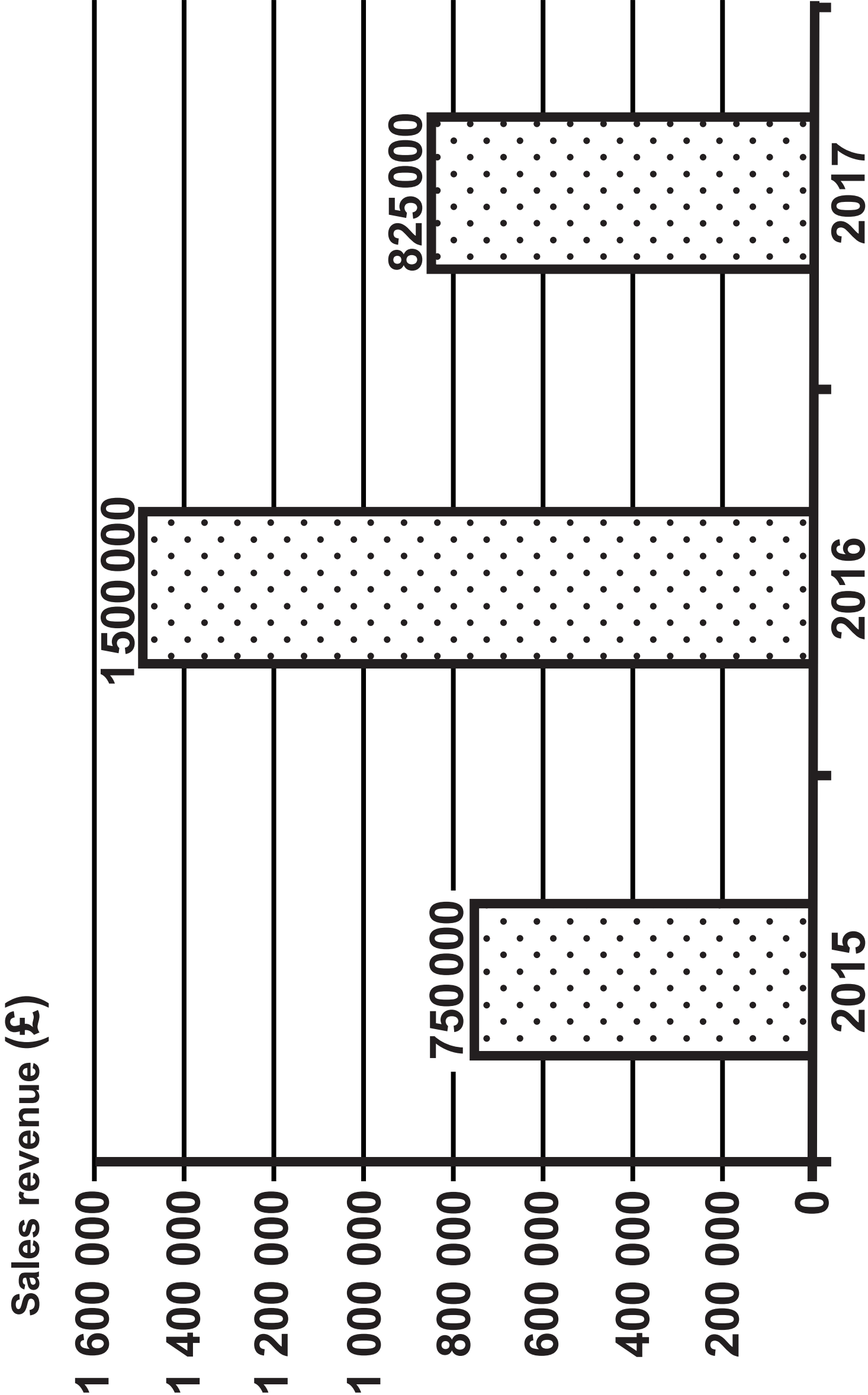
Question 2(c)

Table 1

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

Question 3(b)

Figure 1



Questions 4 to 6

Mind Candy Ltd produces games and apps for computers and mobile devices. Its most successful game was **Moshi Monsters**. The game was aimed at young teenagers and was a global hit, with **80 million users in 2012**

In 2013, Mind Candy made large losses as sales revenue fell due to the falling popularity of its games. This was blamed on the short product life cycle of **Moshi Monsters** and increased competition in its market. As a result of these losses, **Mind Candy** reduced its workforce of software developers.

Mind Candy now needed to raise **£1·2 million** of extra finance. It required this finance to pay existing costs and fund the development of new apps such as **Petlandia**.

Mind Candy believes **Petlandia** will allow it to return to organic growth. The app is free to download and allows players to design a virtual version of their own pet. This virtual pet can go on an adventure within the app. The adventure is then turned into a personalised storybook which can be purchased for **£19·99**

(Source from: 'Moshi Monsters maker Mind Candy fears administration as sales tumble further' by Christopher Williams, 11 OCTOBER 2016 © Telegraph Media Group Limited)

Question 5

Table 2

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

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

Question 7

In August 2017, UK supermarket group **Sainsbury's** decided to cut its costs by **£500** million to remain competitive.

One of the changes **Sainsbury's** made was to end its membership of Fairtrade. The Fairtrade scheme gives farmers in countries such as Kenya a higher price for their crops, such as tea. In return, **Sainsbury's** can use the Fairtrade logo on its products. This makes its groceries, such as bananas, more attractive to ethically-minded customers.

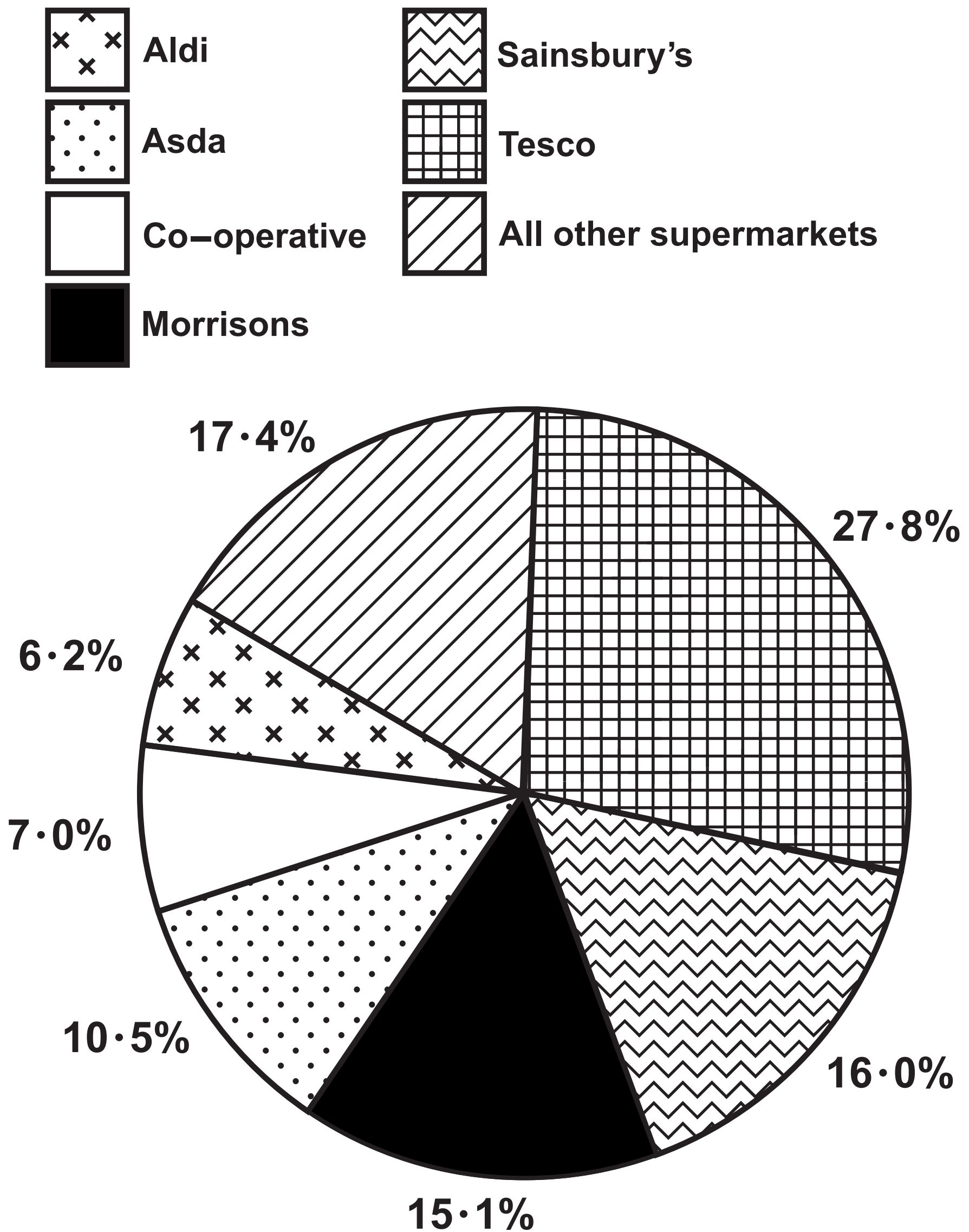
Sainsbury's has decided to replace Fairtrade with its own scheme called 'Fairly Traded'. Critics of the change believe that it confuses customers. Protests about this change have already been held in London.

Sainsbury's also decided to reduce its head office workforce by 1,000. This allowed the company to increase wages for its shop floor employees, including checkout operators and shelf stackers, by 4.4% to **£8** per hour. This reduced the wage difference with Aldi, which pays **£8.53** per hour. **Sainsbury's** wants to retrain shop floor employees to improve the customer service in its stores.

(Source: adapted from <https://www.theguardian.com/business/2017/jul/09/sainsburys-finds-itself-in-hot-water-over-fairtrade-tea>)

Question 7(b)

Figure 2



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