

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

Total Marks

Business
Paper 2: Building a business

Tuesday 4 June 2019 – Afternoon

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 do not need any other materials.

YOU WILL BE GIVEN

Data Book

INSTRUCTIONS

Answer ALL questions.

Answer the questions in the spaces provided in this Question Paper or in the Data Book – there may be more space than you need.

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 marks for EACH question are shown in brackets – use this as a guide as to how much time to spend on each question.

There may be spare copies of some data sheets.

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.

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. (a) Which ONE of the following is an element of the design mix?

Select ONE answer.

A Cost

B Price

C Product

D Quality

Answer

(1 mark)

(continued on the next page)

1. continued.

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

Select ONE answer.

A Loan capital

B Selling assets

C Share capital

D Stock market flotation

Answer

(1 mark)

(continued on the next page)

Turn over

1. continued.

(c) Explain ONE drawback to a business of using job production.

(3 marks)

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1. continued.

(d) Explain ONE advantage to a business of producing a high quality product.

(3 marks)

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(Total for Question 1 = 8 marks)

Turn over

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.

A Application form

B CV

C Job advert

D Job description

E Person specification

Answers

(2 marks)

(continued on the next page)

Turn over

2. continued.

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

Select TWO answers.

A Excessive communication

B Pressure groups

C Retraining employees

D Increased product range

E Introducing new technology

Answers

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(2 marks)

(continued on the next page)

Turn over

2. continued.

**Look at Table 1 for Question 2(c) in the Data Book.
It contains information about a new piece of
machinery that a business wants to purchase.**

**(c) Using the information in Table 1, calculate the
average rate of return.**

You are advised to show your workings.

(2 marks)

_____ %

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Turn over

2. continued.

(d) Explain ONE benefit to a business of having a good relationship with its suppliers.

(3 marks)

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2. continued.

(e) Explain ONE advantage to a business of improving its environmental sustainability.

(3 marks)

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(Total for Question 2 = 12 marks)

Turn over

3. (a) Which ONE of the following is a barrier to international trade?

Select ONE answer.

A Aesthetics

B Ethics

C Tariffs

D Trade-offs

Answer

(1 mark)

(continued on the next page)

3. continued.

**Look at Figure 1 for Question 3(b) 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)

_____ %

(continued on the next page)

Turn over

3. continued.

(c) Explain ONE method a business could use to differentiate its product.

(3 marks)

[illegible]

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Turn over

3. continued.

(d) Explain ONE possible barrier to effective communication within a business.

(3 marks)

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3. continued.

(e) Discuss the impact on a business of giving employees permanent contracts.

(6 marks)

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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.

Look at the information for Questions 4 to 6 in the Data Book.

Write your answers in the spaces provided.

4. (a) Outline ONE method **Mind Candy** could use to extend the product life cycle of one of its games.

(2 marks)

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4. continued.

(b) Analyse the impact on Mind Candy of reducing the size of its workforce.

(6 marks)

Answer lines continue on the next page.

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4. (b) continued.

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(Total for Question 4 = 8 marks)

5. Look at Table 2 for Question 5 in the Data Book.
It contains information about **Mind Candy's**
performance in **2013**

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

£_____

(continued on the next page)

5. continued.

(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.

(2 marks)

_____ %

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Turn over

5. continued.

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.

(6 marks)

Answer lines continue on the next page.

Turn over

5. (c) continued.

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(Total for Question 5 = 10 marks)

Turn over

6. (a) State ONE drawback to Mind Candy of organic growth.

(1 mark)

(continued on the next page)

6. continued.

(b) Outline ONE method **Mind Candy** could use to promote its new app.

(2 marks)

(continued on the next page)

6. continued.

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.

(9 marks)

Answer lines continue on the next two pages.

6. (c) continued.

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6. (c) continued.

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(Total for Question 6 = 12 marks)

TOTAL FOR SECTION B = 30 MARKS

Turn over

SECTION C

Answer ALL questions.

Look at the information for Question 7 in the Data Book.

Write your answers in the spaces provided.

7. (a) Give ONE stage of the sales process.
(1 mark)

Look at Figure 2 for Question 7(b) in the Data Book.
It 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.
(1 mark)

(continued on the next page)

Turn over

7. continued.

(c) Outline ONE advantage to Sainsbury's of improving its customer service.

(2 marks)

(continued on the next page)

7. continued.

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.

(9 marks)

Answer lines continue on the next two pages.

7. (d) continued.

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7. (d) continued.

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7. continued.

(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.

(12 marks)

Answer lines continue on the next four pages.

7. (e) continued.

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7. (e) continued.

[illegible]

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
