



Pearson  
Edexcel

# GCSE (9-1) Business

Paper 1 Practice Questions, Mark  
Schemes, Model Answers with  
Examiner Commentary Set 2



**Answer ALL questions.**

**Read the following extract carefully and then answer Questions 1-5.**

**Write your answers in the spaces provided.**

# JJ'S Flowers

*JJ's Flowers* is owned and run by Jessica Jayne. The business specialises in providing flowers for weddings and other special occasions. Jessica Jayne is passionate about her business and states:

'I have a passion for flowers and everything I can create with them. I am always following the latest trends and picking up new ideas and inspirations to be able to offer you. I had a vision of a studio, a premise full of ideas like a gallery, a twist on your typical florist – a more personal service. I love what I do and I would love to have the pleasure of doing it for you.'

The business buys its flowers from some UK suppliers, but most of its stock is imported from European suppliers in France and the Netherlands.

In addition to producing and delivering, *JJ's Flowers* has created new services to attract different market segments. She has set up a 'Flower School', where people can be taught by Jessica Jayne about flower arrangements and create their own designs. She has also introduced Childrens' Flower School parties and Christmas Flower School.

*JJ's Flowers* has won many awards for its service and attention to detail. Jessica Jayne promotes these awards on the business website.



**Figure 1: Displays inside JJ's Flowers**

<b>Question</b>	<b>Command word</b>	<b>Specification reference</b>	<b>Topic area</b>	<b>Sub-topic</b>
1	State	1.3.2	Business revenue, costs and profits	Variable costs
2(a)	Calculate	1.3.2	Business revenue, costs and profits	Interpretation of break even diagrams
2(b)	Outline	1.3.2	Business revenue, costs and profits	Fixed costs
3	Outline	1.4.1	The options for start-up and small businesses	The types of business ownership
4	Analyse	1.2.4	The competitive environment	The impact of competition on business decision making.
5	Evaluate	1.4.3	The marketing mix	How the elements of the marketing mix work together

1. State **one** variable cost that *JJ's Flowers* has to pay.

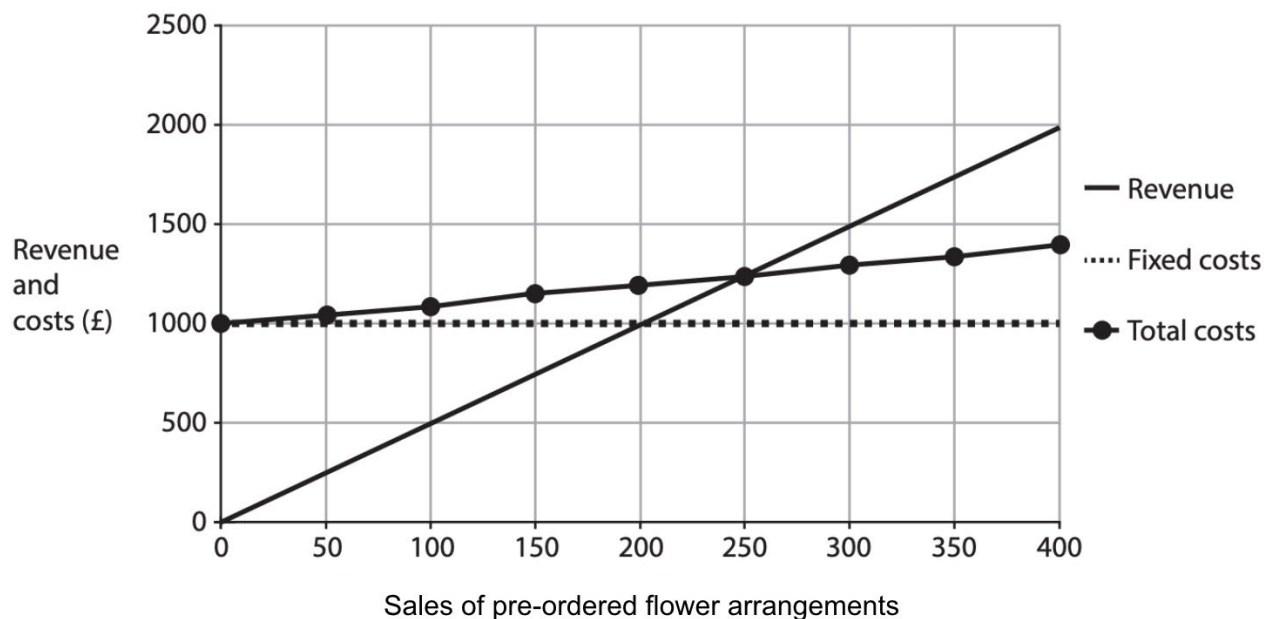
**(1)**

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Figure 1 shows a break even diagram for *JJ's Flowers* in one month in 2020.



**Figure 1**

*JJ's Flowers* sells 350 arrangements in one month.

2 (a) Using the information in Figure 1, calculate the margin of safety.

(2)

..... arrangements

(b) Outline **one** impact on *JJ's Flowers* if monthly fixed costs increase.

(2)

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3. Outline **one** benefit to Jessica Jayne of being a sole trader.

**(2)**

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4. Analyse the impact on *JJ's Flowers* of winning business awards.

**(6)**

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**Mark Scheme:**

Question number	Answer	Mark
1	<p>Award 1 mark for stating one variable cost that <i>JJ's Flowers</i> has to pay.</p> <p>Flowers (1). Plants (1). Wrapping (1).</p> <p>Do not accept generic goods that would not be applicable to <i>JJ's Flowers</i>. For example, tables, shoes etc.</p>	(1) AO2

Question number	Answer	Additional guidance	Mark
2(a)	<p>Substitution into correct formula:</p> <p>350 – 250 (1)</p> <p>Answer: 100 arrangements (1)</p>	Award full marks for correct numerical answer without working.	(2) AO2

Question number	Answer	Mark
2(b)	<p>Award up to 2 marks for linked points outlining an impact on <i>JJ's Flowers</i> of an increase in fixed costs. Award a maximum of 1 mark if points are not linked.</p> <p>The amount of flowers arrangements needed to be sold to break even will increase (1). Therefore, the business may need to increase shop opening hours to maintain sales (1).</p> <p>Total costs will increase (1). Therefore, the business may need to increase prices of flowers to ensure profits are maintained (1).</p> <p>Award any other valid answer. To award 2 marks there must linked development <b>and</b> evidence of application.</p>	(2) AO2

Question number	Answer	Mark
3	<p>Award up to 2 marks for linked points outlining a benefit to Jessica Jayne of being a sole trader.</p> <p>Jessica Jayne can keep any profits from the flowers and parties <i>JJ's Flowers</i> provides (1). As a result, she has the potential to gain satisfaction from earning money from her business (1).</p> <p>Jessica Jayne is able to make all the decisions within the business (1). Therefore, if she has an idea about a new flower service, she can decide to introduce this (1).</p> <p>Award any other valid answer. To award 2 marks there must linked development <b>and</b> evidence of application.</p>	(2) AO2

Question number	Indicative content	Mark
4	<ul style="list-style-type: none"> <li>This should give <i>JJ's Flowers</i> a competitive advantage over other florists and flower retailers, such as local supermarkets. (AO2).</li> <li><i>JJ's Flowers</i> may face a growing number of customers attracted to the shop by the award-winning flower arrangements (AO2).</li> <li>As a result, the business may be able to increase prices as customers know they will receive excellent service and expert flower arrangements (AO3a).</li> <li>As a result, Jessica Jayne may struggle to provide the same level of customer service for every customer requiring floral bouquets (AO3a).</li> </ul>	(6) AO2=3 AO3a=3
Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–2	<ul style="list-style-type: none"> <li>Limited application of knowledge and understanding of business concepts and issues to the business context (AO2).</li> <li>Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3a).</li> </ul>

Level 2	3–4	<ul style="list-style-type: none"> <li>• Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2).</li> <li>• Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3a).</li> </ul>
Level 3	5–6	<ul style="list-style-type: none"> <li>• Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2).</li> <li>• Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3a).</li> </ul>

Question number	Indicative content	Mark
5	<ul style="list-style-type: none"> <li>• Attracting greater numbers of customers will allow <i>JJ's Flowers</i> to increase sales (AO1b).</li> <li>• The decision could increase business costs (AO1b).</li>   <li>• This is because the business will be selling to different types of customer than previously, such as parents of children when booking Flower Parties (AO2).</li> <li>• This because additional services like Flower Parties will require a venue and add to costs of flowers and materials (AO2).</li>   <li>• As a result, the business will be able to increase revenue through the price charged for the parties. This will also lead to parents who accompany their children potentially buying products, such as flowers and plants when they visit the shop (AO3a).</li> <li>• As a result, Jessica Jayne may find that <i>JJ's Flowers</i> may find it more difficult to break even. The costs of the parties will increase total costs, which will mean the business needs to increase sales to cover these costs. (AO3a).</li>   <li>• However, by diversifying into Flower Parties, Jessica Jayne may be distracted from a main focus of her business, which is delivering the 'latest trends'. By devoting time to childrens' parties, the business may lose focus. It has won awards for its service and quality and this could be compromised. The full impact will depend on how well Jessica Jayne can incorporate the new venture into the new business and whether it distracts her from her passion (AO3b)</li> <li>• However, there is a realistic chance that the parties will generate revenue, not only from ticket sales, but from additional purchases from parents who accompany children. In addition, the parties will expose more people to the business, such as parents accompanying children, who had not used <i>JJ's Flowers</i> before. Therefore, the overall impact depends on how much additional custom the parties bring in. If Jessica Jayne can tempt parents into additional purchases, the overall effect could be positive and the business, like the plants, will only grow (AO3b).</li> </ul>	<p>(12)  AO1b=3  AO2=3  AO3a=3  AO3b=3</p>

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–4	<ul style="list-style-type: none"> <li>• Demonstrates elements of knowledge and understanding of business concepts and issues, with limited business terminology used (AO1b).</li> <li>• Limited application of knowledge and understanding of business concepts and issues to the business context (AO2).</li> <li>• Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3a).</li> <li>• Draws a conclusion, supported by generic assertions from limited evaluation of business information and issues (AO3b).</li> </ul>
Level 2	5-8	<ul style="list-style-type: none"> <li>• Demonstrates mostly accurate knowledge and understanding of business concepts and issues, including appropriate use of business terminology in places (AO1b).</li> <li>• Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2).</li> <li>• Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3a)</li> <li>• Draws a conclusion based on sound evaluation of business information and issues (AO3b).</li> </ul>
Level 3	9-12	<ul style="list-style-type: none"> <li>• Demonstrates accurate knowledge and understanding of business concepts and issues throughout, including appropriate use of business terminology (AO1b).</li> <li>• Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2).</li> <li>• Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3a).</li> <li>• Draws a valid and well-reasoned conclusion based on a thorough evaluation of business information and issues (AO3b).</li> </ul>



### Model answers to levels-based questions:

4. Analyse the impact on *JJ's Flowers* of winning business awards.

(6)

JJ's Flowers may face a growing number of customers attracted to the shop by the award-winning **flower arrangements** and latest **trendy flower arrangement designs**. (explanation strand 1). This is because, in a market like **floristry**, quality and **attention to detail** are very important (explanation strand 2). Therefore, awards will show customers that Jessica Jayne has expert knowledge of **flower arrangements** (explanation strand 3). As a result, JJ's Flowers may be able to increase prices as customers know they will receive excellent service (explanation strand 4). This may mean that profits increase (explanation strand 5). (AO3a).

#### Examiner Commentary:

The candidate has decided to consider one impact through one paragraph. Sustaining linked points over one impact is not always easy but this response just about manages to do that. An alternative approach with 'Analyse' questions is to consider two impacts, and develop each.

Most points are sufficiently contextualised (**which is highlighted in red**). There is therefore plenty of Application (AO2) across the response and therefore sufficient for Level 3. In this response there are five strands of development (**highlighted in green**), which therefore meets the Level 3 descriptor for Analysis (AO3a). The final point is valid, but perhaps suggestive that the candidate was starting to run out of options.

With two good Level 3s for both assessment objectives, the candidate was **awarded 6 marks**.



5. Evaluate the likely impact on *JJ's Flowers* of its decision to attract different market segments by the launch of its children's flower parties. You should use the information provided as well as your knowledge of business.

(12)

Attracting greater numbers of customers will allow *JJ's Flowers* to increase sales and therefore revenue. This is because the business will be selling to a wider range of customers than previously, such as **parents of children** when booking **childrens' Parties** (explanation strand 1).

By diversifying into childrens' parties the business will be able to charge for the **parties**. This will potentially lead to parents who accompany their children potentially buying products, **such as flowers and plants** when they visit the shop (explanation strand 2). As a result, total revenue for the *JJ's Flowers* will increase (explanation strand 3), which may lead to higher profits, providing the costs of the parties do not outweigh the revenue generated (explanation strand 4).

However, by diversifying into Flower Parties, Jessica Jayne may be distracted from a main focus of her business, which is delivering **the 'latest trends' in floristry**. This approach has been very successful, for example by the business **winning different awards**. Children are unlikely to buy flower arrangements, so if parents just **drop them off at the party**, and do not bother going into the shop, then any chance of extra sales is lost (explanation strand 5). The venture to attract different market segments will have failed.

In conclusion, the full impact will depend on how well Jessica Jayne can incorporate the new venture into the new business and whether it distracts her from her passion and the main focus of the business. A few hours attending to a Flower Party could instead have been spent on **researching the latest floristry trends**, and Jessica Jayne may have lost this opportunity if hosting parties that does not generate much extra revenue.

#### Examiner Commentary:

This response was **awarded 12 marks**. The level of knowledge and understanding was strong throughout and Level 3 was awarded for this skill (AO1b). There was evidence of application (AO2) throughout the answer (highlighted in red). In paragraphs one and two there were at least four logical, linked strands (highlighted in green), with a fifth in the third paragraph meaning that Analysis (AO3a) can be awarded at Level 3 also. Note the use of



the word 'However...' at the start of paragraph three which signals that the candidate is now starting to consider the converse viewpoint, that the attempt to attract new market segments may not be successful. The final paragraph starts with 'In conclusion...' and this section makes use of 'it depends' and goes beyond just a simple paraphrasing of what has been written earlier in the response. In fact, the candidate makes some original and perceptive points, beyond the obvious. This is evidence of original and creative thinking. Evaluation (AO3b) can also be awarded in Level 3. With four strong Level 3s, the candidate was awarded full marks.