



Rewarding Learning

General Certificate of Secondary Education
2013

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Candidate Number

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Business Studies

Unit 2

Business Development

[GBS21]

ML

FRIDAY 24 MAY, MORNING

TIME

1 hour 40 minutes, plus your additional time allowance.

INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number in the spaces provided at the top of this page.

Write your answers in the spaces provided in this question paper.

Complete in blue or black ink only. **Do not write in pencil or with a gel pen.**

There should be enough space for your answers. If you do require more space, you may complete your answers on the extra lined pages at the back of this book.

Answer **all three** questions.

INFORMATION FOR CANDIDATES

The total mark for this paper is 90.

Figures in brackets printed down the right-hand side of pages indicate the marks awarded to each question or part question.

Quality of written communication will be assessed in questions **1(e)**, **2(e)** and **3(g)**.

Answer all questions

Examiner Only	
Marks	Remark

1

Poorly Pets is a veterinary practice in Ballycastle. It employs three vets, one senior nurse, four junior nurses, and one manager.

(a) The senior nurse in **Poorly Pets** is leaving. The manager wants to use external recruitment methods to replace her. Explain **one** advantage and **one** disadvantage of external recruitment for **Poorly Pets**.

Advantage _____

_____ [2]

Disadvantage _____

_____ [2]





(b) The candidates for the job of senior nurse have to send a Curriculum Vitae (CV) to **Poorly Pets**. What is a Curriculum Vitae (CV)? Why might employers use a Curriculum Vitae (CV) as a method of selection?

[4]

(c) There are legal controls about the recruitment of staff. Write about **one** legal control regarding disability and **one** legal control regarding gender.

Disability _____

[2]

Gender _____

[2]

Examiner Only	
Marks	Remark

(e) The main method of appraisal for all employees in **Poorly Pets** is observation. Describe this method of appraisal and explain **two** of its advantages.

[6]

Examiner Only	
Marks	Remark

[Turn over

(f) All employees in **Poorly Pets** receive a bonus at the end of the year. All employees are also involved in team working. Identify and describe these **two** types of motivation.

[6]

Examiner Only	
Marks	Remark
Total Question 1	



2

Environmental Plastic plc is a medium-size company which manufactures a range of plastic containers and bags. The company is based in Downpatrick.

- (a) The directors of **Environmental Plastic plc** believe that the company could achieve greater economies of scale if it became larger. Explain the term “economies of scale” and explain **one** way which **Environmental Plastic plc** might achieve economies of scale.

[4]

Examiner Only	
Marks	Remark

(b) Economies of scale are a benefit of growth. Analyse **two other** benefits of growth for **Environmental Plastic plc**.

1. _____

2. _____

- _____ [4]

(c) Analyse **two** negatives of growth for **Environmental Plastic plc**.

1. _____

2. _____

- _____ [4]

Examiner Only	
Marks	Remark



(d) **Environmental Plastic plc** does not trade abroad but thinks that its products would sell successfully on the international market. Write about **two** benefits and **two** drawbacks of international trade for **Environmental Plastic plc**.

Benefits _____

Drawbacks _____

_____ [8]

Examiner Only	
Marks	Remark

(e) Discuss the role of the European Union (EU) in international business.

[6]

Examiner Only

Marks	Remark

(f) There are social and moral implications associated with the growth of firms such as **Environmental Plastic plc**. Analyse **one** positive and **one** negative social and moral implication of the growth of **Environmental Plastic plc**.

Positive _____

Negative _____

_____ [4]

Examiner Only

Marks Remark

Total Question 2

[Turn over

3

Easy Connections is a retail shop selling computers and mobile phones. The shop is owned by Lisa Williams and is managed by Jake.

(a) Jake wants to improve the shop's level of profit. What does **profit** mean?

[2]

(b) At the beginning of the year, Jake prepared a Cash Flow Forecast for **Easy Connections**. Explain **three** reasons why a business should prepare a Cash Flow Forecast.

1. _____

2. _____

3. _____

[6]

Examiner Only	
Marks	Remark

(c) Analyse **three** problems for **Easy Connections** if the Cash Flow Forecast is prepared incorrectly.

- 1. _____

- 2. _____

- 3. _____

[6]

Examiner Only	
Marks	Remark

[Turn over

(d) The following items appear on the Balance Sheet (Statement of Financial Position) of **Easy Connections** as at 31 December 2012. Explain the meaning of each item.

Debtors (Trade Receivables) _____

_____ [2]

Bank Overdraft _____

_____ [2]

Examiner Only	
Marks	Remark

Lisa's Capital Employed in **Easy Connections** is £200,000. She received a total Net Profit of £15,000 for the year ending 31 December 2012.

- (e) Complete the spaces in the following formula to calculate Lisa's Return on Capital Employed. Show your calculations in the box provided:

$$\text{Return on Capital Employed} = \frac{\text{Net Profit}}{\text{Capital Employed}} \times 100$$

$$\text{Return on Capital Employed} = \quad \times 100$$

$$\text{Return on Capital Employed} = \quad \%$$

[2]

Show your calculations in this box:

- (f) What does **Return on Capital Employed** mean?

[2]

Examiner Only

Marks Remark

Marks	Remark

Extra page if required

Examiner Only

Marks Remark

8154.02 ML



THIS IS THE END OF THE QUESTION PAPER

8154.02 ML

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For Examiner's use only	
Question Number	Marks
1	
2	
3	

Total Marks	
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Examiner Number

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