



Centre Number

71	
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Candidate Number

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General Certificate of Secondary Education
2014

Business Studies

Unit 1

Business Start Up

[GBS11]

MV18

WEDNESDAY 21 MAY, MORNING

TIME

1 hour 20 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.

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 four** questions.

INFORMATION FOR CANDIDATES

The total mark for this paper is 75.

Figures in brackets printed at the end of each question indicate the marks awarded to each question or part question.

Quality of written communication will be assessed in question **4(e)**.

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(Questions start overleaf)

Answer **all** questions

1 (a) Study the following terms and select **four** which match the definitions below.

Retained profit

Random sampling

Social enterprise

Leasing

EFQM

Specialisation

(i) Earnings ploughed back into the business for future use. [1 mark]

(ii) A business that has ethical and environmental aims at its centre. [1 mark]

(iii) A means of ensuring everyone has an equal chance of being surveyed. [1 mark]

(iv) A framework to ensure quality is pursued in the business. [1 mark]

(b) Explain **two** reasons why a business may be started. [4 marks]

1. _____

2. _____

2 Fred has run his own business for several years, baking and selling a range of cupcakes and pastries. The business is successful and he has decided to form a partnership.

(a) Identify the type of business ownership he is currently operating. [1 mark]

(b) State **one** advantage and **one** disadvantage of this type of business ownership. [2 marks]

Advantage _____

Disadvantage _____

(c) Discuss Fred's decision to form a partnership. [4 marks]

(d) Apart from **growth**, suggest **two** aims this business might have. [2 marks]

1. _____

2. _____

(e) Explain how the aim of **growth** might impact on Fred’s business activity. [4 marks]

(f) Explain how Fred could use customer service to add value. [3 marks]

3 (a) Complete the following table to explain how the **two** businesses might use the factors of production differently.

	Farmer (milk production)	McDonalds (fast food)
Capital	[2 marks]	[2 marks]
Land	[2 marks]	[2 marks]

(b) Name the other **two** factors of production. [2 marks]

1. _____
2. _____

(c) Suggest a product that might be made using the following methods of production.

Job production	[1 mark]
Batch production	[1 mark]
Flow production	[1 mark]

(d) Explain the difference between job production and batch production. [4 marks]

Job production _____

Batch production _____

(e) Evaluate the impact of technology on production. [5 marks]

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(Questions continue overleaf)

4 The information in **Table 1** has been gathered by market research. Answer the questions which follow.

Table 1

2013 SALES FIGURES FOR THE iSee				
	£000s	£000s	£000s	£000s
Country	Sales Period 1 Jan–Mar 2013	Sales Period 2 April–June 2013	Total Sales for 6 months	Increase in Sales Period 1 to Sales Period 2
US	595	770	1,365	175
Australia	55	84	139	29
Canada	90	128	218	38
France	220	365	585	145
Germany	105	130	235	25
Italy	72	95	167	23
Japan	160	220	380	60
Spain	42	54	96	12
Switzerland	20	25	45	5
UK	236	266	502	30
Ireland	12	16	28	4

(*iSee is a hi-tech hand held tablet)

(a) Which country has the overall largest sales for the six months? [1 mark]

(b) Which country has the second largest sales from January to March 2013? [1 mark]

(c) Which country has the smallest increase in sales during the six months? [1 mark]

(d) Identify and discuss the most suitable pricing policy for a new hi-tech product. [3 marks]

(f) Study **Table 1** and identify the stage of the product life cycle which the iSee is at. Explain your answer. [3 marks]

(g) Identify **one** extension strategy the company could use to extend the life cycle of the iSee and discuss **one** advantage and **one** disadvantage of this strategy. [5 marks]

THIS IS THE END OF THE QUESTION PAPER

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Question Number	Marks
1	
2	
3	
4	
Total Marks	

Examiner Number

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