



Rewarding Learning

General Certificate of Secondary Education
2014

Centre Number

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Candidate Number

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Business Studies

Unit 2

Business Development

[GBS21]

ML

MONDAY 2 JUNE, 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.

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 paper.

Answer **all three** questions.

INFORMATION FOR CANDIDATES

The total mark for this paper is 90.

Quality of written communication will be assessed in Questions **1(e)** and **2(f)**.

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

Answer **all three** questions

Examiner Only

Marks	Remark
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1

Shades is a large, unisex hairdressing salon in Strabane.

- (a) Shades needs to recruit an extra hairdresser. Each applicant for the post has to complete an Application Form. Explain **one** advantage and **one** disadvantage for Shades of using application forms.

Advantage _____

 _____ [2]

Disadvantage _____

 _____ [2]

- (b) Some of the applicants will also be invited for interview. Explain **two** benefits for Shades of having interviews.

1. _____

 _____ [2]

2. _____

 _____ [2]



(c) Both Shades and the applicants have certain responsibilities in the selection process. Discuss the following responsibilities.

Honesty _____

Objectivity _____

Fairness _____

Confidentiality _____

[8]

Examiner Only	
Marks	Remark

(d) The new hairdresser will receive training in the salon. Write down and describe this type of training and give **two** reasons why it is suitable for Shades to use.

Type: _____

Description: _____

_____ [6]

Examiner Only

Marks	Remark



(e) Appraisal is carried out each year in Shades. Explain **three** benefits of appraisal for Shades as an employer.

1. _____

_____ [2]

2. _____

_____ [2]

3. _____

_____ [2]

Examiner Only	
Marks	Remark

[Turn over

(f) Write down and explain **two** reasons why motivation of the employees in Shades is important.

1. _____

_____ [3]

2. _____

_____ [3]

Examiner Only	
Marks	Remark
Total Question 1	

2

Ashton Ltd (Belfast) is a successful company which manufactures chocolate and confectionery.

(a) Ashton Ltd is described as successful. Explain **two** signs of success you would expect to find in this company.

1. _____

_____ [2]

2. _____

_____ [2]

Examiner Only	
Marks	Remark

[Turn over

(b) Discuss **three** factors which could limit the growth of Ashton Ltd.

1. _____

 _____ [2]

2. _____

 _____ [2]

3. _____

 _____ [2]

Examiner Only	
Marks	Remark





(c) Ashton Ltd is considering a merger with another successful chocolate manufacturer. Describe a merger and analyse **two** disadvantages a merger would have for Ashton Ltd.

[6]

(d) The Competition Commission is interested in the planned merger. Describe the role of the Competition Commission.

[4]

Examiner Only	
Marks	Remark

(e) It is planned that the new company would sell its products to other countries as well as on the home market. Explain how this international trade would affect the following areas of its marketing mix.

Product _____

Price _____

Promotion _____

Place _____

[8]

Examiner Only	
Marks	Remark



(f) Discuss **three** ways in which e-commerce might support Ashton Ltd's international business.

1. _____

_____ [2]

2. _____

_____ [2]

3. _____

_____ [2]

Examiner Only

Marks	Remark
-------	--------

Total Question 2	

[Turn over

3

The Bookworm is a retail shop selling books and magazines in Carrickfergus. The shop is owned and managed by Carolyn.

- (a) Carolyn sometimes has difficulty in maintaining a good cash flow. Explain the meaning of “cash flow”.

[2]

- (b) Explain **two** reasons why cash flow is important in business.

[4]

Examiner Only

Marks Remark



(c) Describe **one** way in which Carolyn might improve the cash flow in The Bookworm.

[2]

(d) The table below lists four costs which The Bookworm has to pay. In the column beside each cost, write down if it is a fixed cost or a variable cost.

COST	TYPE
Postage	
Rent	
Purchases	
Rates	

[4]

(e) Explain **one** reason why it is important for Carolyn to know the Breakeven Point in The Bookworm.

[2]

Examiner Only	
Marks	Remark

(f)

The following information is taken from the accounts of The Bookworm:
Total fixed costs are £4,000 per month
Variable costs are £2 per book
Each book sells on average at £10

Complete the spaces in the following formula to calculate the breakeven point in The Bookworm.

$$\text{Breakeven} = \frac{\text{Total Fixed Costs}}{\text{Selling Price per book} - \text{Variable Cost per book}}$$

Breakeven = _____

Breakeven = _____

[2]

(g) Explain the meaning of "Margin of Safety".

[2]

Examiner Only

Marks	Remark

Extra page if required

Examiner Only

Marks Remark





THIS IS THE END OF THE QUESTION PAPER

DO NOT WRITE ON THIS PAGE

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

Total Marks	
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Examiner Number

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