



GCSE

3510U10-1



S23-3510U10-1

THURSDAY, 18 MAY 2023 – AFTERNOON

BUSINESS

Unit 1: Business World

2 hours

For Examiner's use only

Question	Maximum Mark	Mark Awarded
1.	2	
2.	2	
3.	4	
4.	6	
5.	2	
6.	4	
7.	20	
8.	20	
9.	20	
10.	20	
Total	100	

3510U101
01

ADDITIONAL MATERIALS

A calculator.

INSTRUCTIONS TO CANDIDATES

Use black ink or black ball-point pen. Do not use gel pen or correction fluid.

You may use a pencil for graphs and diagrams only.

Write your name, centre number and candidate number in the spaces at the top of this page.

Answer **all** questions.

Write your answers in the spaces provided in this booklet. Additional space is provided for some questions within the booklet (if required). If further space is required for any question, use the additional page(s) at the back of the booklet, taking care to number the question(s) correctly.

INFORMATION FOR CANDIDATES

The number of marks is given in brackets at the end of each question or part-question. You are advised to divide your time accordingly.

The total number of marks available is 100.

You are reminded of the need for good English and orderly, clear presentation in your answers.



JUN233510U10101

Answer **all** the questions in the space provided.

1. Identify which **two** of the following are characteristics of Public Limited Companies (PLCs). [2]

Tick (✓) **two** boxes only.

Owned by the government		Unlimited liability	
Minimum of 2 owners	✓	Shares are sold on the stock exchange	✓

2. Identify which **two** of the following are advantages of international trade to UK businesses. [2]

Tick (✓) **two** boxes only.

High transportation costs		Increased sales	✓
New markets	✓	Language barriers	



3. Below are a number of business terms and phrases.

Job

Turnover

Profit and loss
account

Cost of sales

Flow (Mass)

Quantitative data

Cash-flow forecast

Qualitative data

Identify which of the terms above best describes each of the following:

- (a) The method of production that produces many identical items.

[1]

Flow (mass)

- (b) The money a business makes from sales.

[1]

Turn over

- (c) Information that is numerical and often shown in graphs or tables.

[1]

Quantitative data

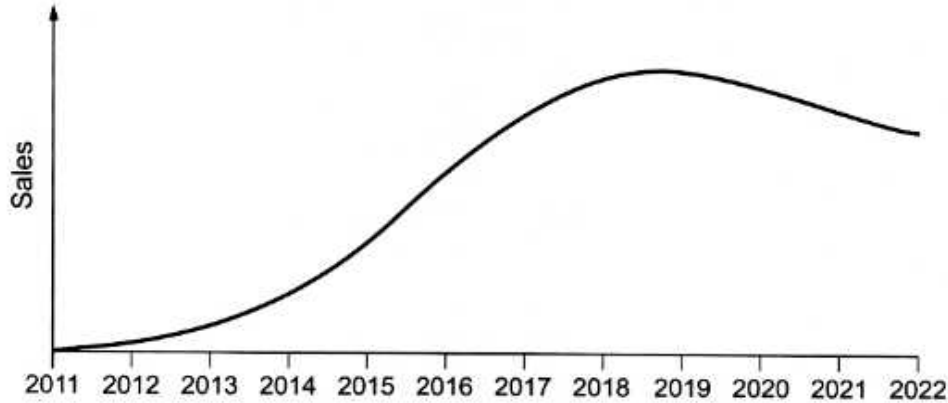
- (d) A prediction of the money going in and out of a business over a period of time.

[1]

Cash-flow Forecast



4. Bertie's Berry Crunch is a breakfast cereal that is only sold in UK supermarkets. It has been available since 2011. Due to the quality of the ingredients, Bertie's Berry Crunch is sold at a high price. The graph below shows the product life-cycle of Bertie's Berry Crunch.



- (a) Using the graph above, identify which stage of the product life-cycle Bertie's Berry Crunch is in during;

(i) 2015: [1]

(ii) 2021: [1]

- (b) Outline **two** extension strategies that Bertie's Berry Crunch could adopt to improve sales. [4]

1. ~~release~~ releasing new products in the cereal market

2. ~~the~~ release other cereals that are not in the cereal market

5. State **two** resources needed to produce goods or services. [2]

1. materials

2. money



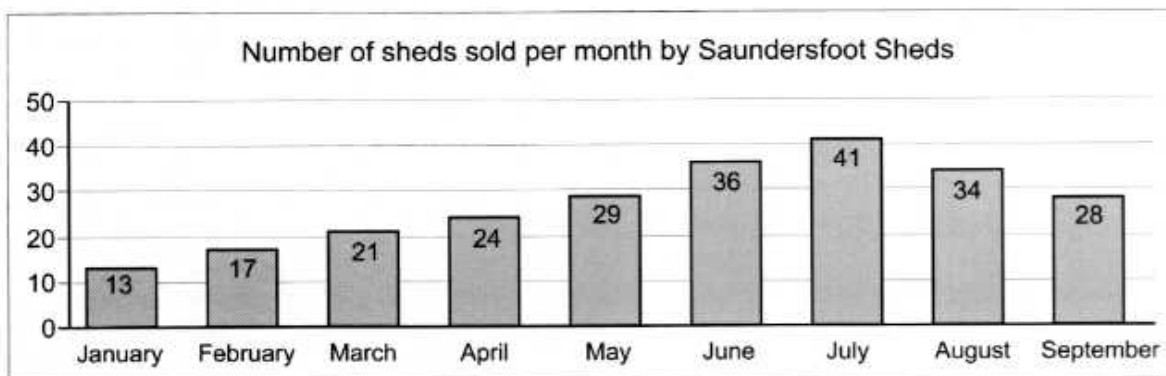
6. Saundersfoot Sheds, based in Pembrokeshire, is a business that designs and builds garden sheds for its customers. The business has one shop in Saundersfoot and will only deliver in Pembrokeshire.

- (a) Identify which **one** of the following best describes the scale of operation of Saundersfoot Sheds. [1]

Tick (✓) **one** box only.

Local	<input checked="" type="checkbox"/>
National	<input type="checkbox"/>
Global	<input type="checkbox"/>

Below is a graph showing the number of sheds sold per month by Saundersfoot Sheds.



- (b) (i) Describe the trend of sales for Saundersfoot Sheds shown in the graph above. [1]

A Increase to decreasing trend

Saundersfoot Sheds has earned £75 330 revenue from the sales of sheds from January to September.

- (ii) Calculate the average selling price per shed. [2]

$$13 + 17 + 21 + 24 + 29 + 36 + 41 + 34 + 28 = 243$$

$$75\,330 \div 243 = 310$$

Average selling price £310



7. Jane Miller is a fitness instructor in a gym called Fit and Healthy in Llanelli, Wales. Jane has worked at Fit and Healthy Gym since it opened in 2012 but she hopes to start up her own gym in the local area in the near future. Jane is aware of the risks and rewards of starting up a business.

(a) Suggest and explain **one** risk and **one** reward to entrepreneurs of starting a business.

[4]

Risk: A risk for starting up a business is that the business could follow through and not become ~~successful~~ successful as they may not get enough revenue coming into the business.

Reward: One reward is that the business owner can make a lot of money and become her own boss and run the business effectively.

If Jane was to start-up a business she would be able to get help and advice from different organisations.

(b) Name **one** organisation that may help an entrepreneur start-up a business.

[1]

The UK Government



Jane has been looking into sites where she may wish to set up her gym. Jane is aware of an empty unit that is available to rent in the same retail park as Fit and Healthy Gym, where she currently works. A plan of the retail park is shown below.



- (c) With specific reference to the retail park plan, analyse the suitability of the selected site for Jane to set up a gym. [6]

~~has~~ Having a gym in a retail park is not that suitable as many people would go shopping there and not for the gym. For a gym being by Costa is not as smart as well as people may see Costa as a way to relax and choose not to go to the gym because of it. It's really not suitable for Jane as they also will have competition in the same market place and because the Fit and Healthy gym has been open it would



be no surprise that the others are able to run the business even with competition as the Fit and healthy gym will have loyal customers and will have on going ~~sub~~ memberships.

Additional space for Question 7(c) only:

Jane has carried out market research to help identify and understand her potential customers.

- (d) Suggest a reason why it is important for a business to identify and understand its potential customers.

[1]

So the business can be realistic and see who is actually going to come and to find out their preferred budget and needs.

After much consideration, Jane has decided to quit her job and borrow £50 000 from the bank to set up a new gym in the retail park in Llanelli. Jane has been approached by co-workers and friends about setting up the business with them rather than by herself. Jane feels that the business has a good chance of succeeding and is unsure as to which type of ownership she should choose for her new business.

- (e) Advise Jane as to which type of business ownership she should choose to set up the gym.

[8]

being a sole trader is a very hard thing to make it hard for the business to succeed as it's her by herself managing it but there are also benefits like making more money and



having unlimited liability however I do advise June to co-own the business with her, ~~the~~ friends and colleagues as they may have contact within that industry which can help her effectively run her business. It's also a benefit as with other owners they can also help the business if a financial issue does occur within the business and they can help. ~~June can also~~ I will also help June as she doesn't have to run the business herself and have people to help her and give some input and feed back.

Additional space for Question 7(e) only:



8. Aberavon Car Centre is a used car sales business that has been open for more than 45 years. It is a small-scale car business with only one showroom and two owners, who are also the only workers. Aberavon Car Centre is based in Port Talbot, South Wales and sells used cars in a range of makes and models. The cars the business sells are all under 5 years old and the average price is £15 000 per car. The business slogan is "The home of quality cars".

- (a) Describe what Aberavon Car Centre customers expect from a quality car. [1]

For the car to actually work and for the car to be delivered.

- (b) Identify **one** way a business achieves quality. [1]

by taking feedback and to improve the business methods.

- (c) Describe how Aberavon Car Centre could use Information Technology (IT) packages to help in its workplace. [4]

Aberavon car centre can use Information Technology packages to ~~test~~ measure the cars weight and size. It can also use it to put pictures online and increase the sales. With IT packages the workers may find it easier to work and be able to communicate with one another.

- (d) (i) Identify **two** stages in the sales process. [2]

1. Lose the Sale
2. After Sale



- (ii) Describe how the sales process is used by Aberavon Car Centre to sell high value products. [2]

They may use the sales process by making the customers feel at home and give them a better experience than others so it makes customers who buy higher priced cars feel better than others.

Aberavon Car Centre has many competitors, for example other small-scale used car retailers and large-scale car retailers such as Trade Centre Wales. Trade Centre Wales has five large showrooms, employs over 500 people and made profits of over £20.4 million in 2019.

- (e) Discuss the pricing strategies that Aberavon Car Centre might use to increase sales. [10]

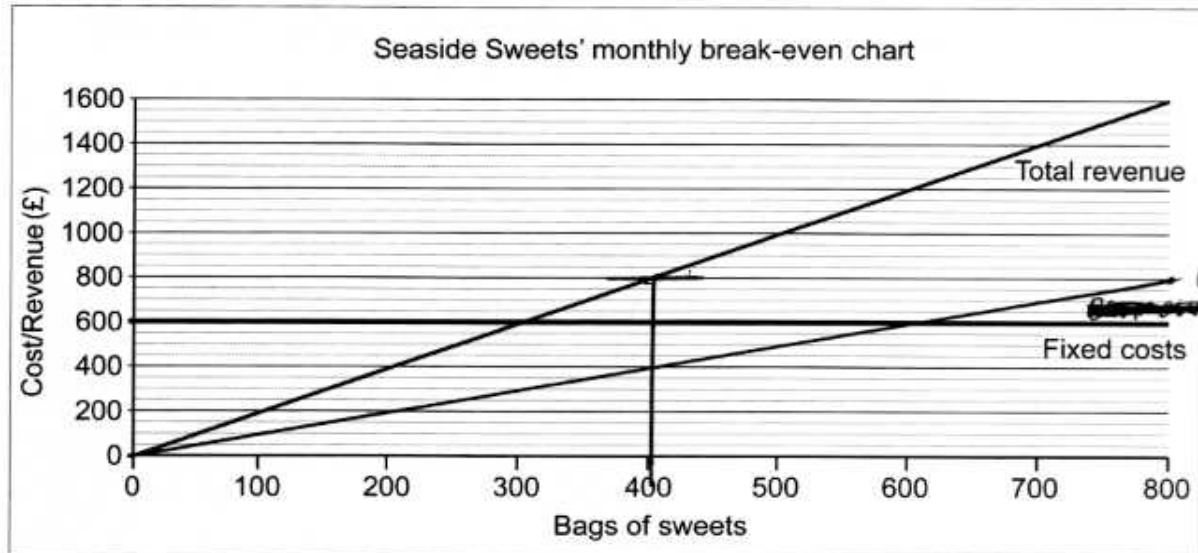
Aberavon Car Centre may use competition pricing to try and make their deals look better and increase their sales but may decrease their revenue as they might be selling the cars for less money. They won't do deals such as buy one get one free but may use deals like 10% or 20% off the car so they look like they're getting a better deal. Aberavon may use ~~other~~ like pricing strategies like £9,999 for a car instead of 10,000. So it looks cheaper for the customer more which may take them over other car retailers.



Additional space for Question 8(e) only:



9. Seaside Sweets is a small traditional sweet shop in Bangor, North Wales. Seaside Sweets is owned by Rashid Khan, a sole trader, who currently employs two part-time workers to help him out during busy times. Below is a monthly break-even chart for Seaside Sweets.



Seaside Sweets currently pays its supplier £1 per bag.

- (a) On the break-even chart above, draw the **total cost** line for Seaside Sweets. [2]
- (b) Identify how many bags of sweets Seaside Sweets must sell to break-even. [1]

400

The supplier for Seaside Sweets is increasing the cost from £1 per bag to £1.50 per bag.

- (c) Identify the impact that the change in costs may have on Seaside Sweets. [1]

Seaside Sweets sell their sweets for £2 a bag
 so they will only be making 50p a bag
 so they are going to halve their profits.



One of the part-time workers has decided to leave the sweet shop, so Rashid will need to recruit a new worker to fill the vacancy at Seaside Sweets. The worker will be expected to serve customers and re-stock shelves.

- (d) Explain how Rashid may use the recruitment process to help him employ a new part-time worker.

[6]

Rashid will use the recruitment process to find the perfect part time worker for the business by specifying what he wants the worker to do what how old he has to be and the qualification and past experience the worker may have in the industry so he does not have to train the worker as much and have to take as long as long while the perfect worker will know exactly what to do on a day to day basis.

Additional space for Question 9(d) only:



Rashid has selected a new part-time worker. The new worker will need to be trained.

- (e) With reference to Seaside Sweets, outline **one** suitable method that Rashid might use to train his new part-time worker. [2]

Seaside Sweets may have the new worker go job shadow the other workers so he can learn what to do quickly and the other workers can show him what to do and then go to stock the shelves and serve customers.

Rashid is unsure as to whether he should try to grow his business or to remain small.

- (f) Assess the reasons why Rashid might grow the business or choose to remain small. [8]

Rashid might choose to keep the business small as he is already making profit and it's not as hard as compared to run a big business. He may also be enjoying running the business the way it is and just likes to casually run the business. Rashid may also decide to grow and expand his business to earn a lot more money for himself and increase the ~~money~~ revenue coming into the business. He may also want to grow the business for it to be more ~~challenging~~ challenging for him as he may be losing interest in the business.



10. Beds UK sells beds and mattresses across the UK. Beds UK has shops in Cardiff (Wales), Birmingham (England), Manchester (England) and Edinburgh (Scotland) and its head office is in London (England). Each shop has a manager and its own sales team to try to make sales to the public. Beds UK only distributes its products from its shops.

- (a) The position of a manager is an important job role in a business. Identify **one** characteristic of a managerial job role.

[1]

being able to communicate with other workers

Beds UK has a regional (geographical) organisation structure shown in the diagram below:



- (b) With reference to the organisation structure shown above, describe **one** problem with the type of organisational structure used by Beds UK.

[2]

They don't have shops in capital cities
in the UK like a shop in Belfast can connect
from other or branches

Jasper is part of the sales team at the Cardiff shop for Beds UK and earns 12% commission on any sales he makes.

- (c) Jasper sells products to the value of £4890 in a month. Calculate how much commission he earns, in that month.

[1]

$$£4890 \times 12\% = 586.8$$

£586.8 this month

Commission is an example of a financial method of motivation.

- (d) Identify **two** benefits to a business of a motivated workforce.

[2]

1. more interested in work
2. more determined and work better



Below are the profit and loss accounts for Beds UK for 2021 and 2022.

Profit and Loss Accounts 2021–2022

	2021	2022
Sales	£5020 100	£4 800 000
Cost of Sales	£2008 040	£2 160 000
Gross Profit	£3012 060	£2 640 000
Rent	£520 000	£535 000
Business Rates	£234 000	£240 750
Wages (Salary and Commission)	£1 712 412	£1 686 000
Other Expenses	£43 056	£45 100
Total Expenses	£2 509 468	£2 506 850
Net Profit	£502 592	£133 150

(e) Analyse the financial performance of Beds UK over the two years.

[4]

Over the two years in 2021 the business had a very successful year and was thriving making £502,592 net profit however in 2022 the business took a major decrease making £133,150 net profit which is 3.8% decrease compared with the sales decreasing and cost of sales increasing. Overall the business did not have that bad of a year but in the business keeps decreasing like it did the business will not be in good shape.



Beds UK has decided to close the Edinburgh (Scotland) shop. This decision will affect stakeholders such as the owners, the workers, customers and suppliers.

- (f) Consider how stakeholders may be affected by the decision to close the Edinburgh shop.

[10]

Stakeholders like affect by the business
 So with ~~the~~ the business deciding to shut
 the edinburgh shop Stake holders may affect the
 stock market may could lose a lot of
 money from the shop closing however the Stakeholder
 may gain money as with the business closing they may
 make more money.



Additional space for Question 10(f) only:

END OF PAPER



[illegible]

Examiner
only



[illegible]

Examiner
only



