

Candidate Name	Centre Number	Candidate Number
		2



GCE AS/A level

1081/01

**BUSINESS STUDIES
BS1**

P.M. MONDAY, 10 January 2011

1¼ hours

For Examiner's Use Only		
Question	Maximum Mark	Examiner's Mark
1	4	
2	4	
3	14	
4	10	
5	8	
6	10	
Total	50	

INSTRUCTIONS TO CANDIDATES

Use black ink or ball-point pen.

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

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

INFORMATION FOR CANDIDATES

Mark allocations are shown in brackets.

You are reminded that assessment will take into account the quality of written communication used in answers that involve extended writing (question 6).

Answer all the questions in the spaces provided.

1. Needs Versus Wants

In the consumption of goods and services people will first seek to meet their **needs** and then try and satisfy their **wants**.

With the aid of examples, distinguish between *needs* and *wants*. [4]

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Total Mark

2. Nearly £1 million for six bikes

Britain's biggest retailer, Tesco mistakenly paid Universal Cycles, a subsidiary of Sports Direct, £984 000 for six *Muddy Fox Suspension Bikes* instead of £984. The error was made on the 13 August 2009 and Universal was asked to repay it 15 days later. An error of this sort could be due to Tesco suffering from **diseconomies of scale**.

Explain, with the aid of examples, the meaning of *diseconomies of scale*. [4]

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TURN OVER FOR QUESTION 3

5. AMAZON.com

Amazon.com was founded in 1994 and launched on-line in 1995. It started as an on-line bookstore but soon diversified into product lines of videos, DVDs, music CDs, MP3s, video games, electronics, clothes, furniture, food and toys.

Amazon.com has embraced the latest technology in many of the products offered to its customers through the development of e-books and its music downloads.

In its massive distribution warehouses, Amazon.com also makes use of the latest technology. Goods delivered to the warehouse appear to be located randomly according to their size and the spaces available. However, with a scanning gun (which acts a bit like ‘sat nav’) the quickest way to the goods is found immediately. Everything about the order is then beamed to the workers who pick up the goods and if necessary gift-wrap them for the customers.



Explain the impact of rapid technological change on businesses, such as Amazon.com, and their customers. [8]

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TURN OVER FOR QUESTION 6

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