

Surname	Centre Number	Candidate Number
Other Names		0



**LEVEL 1/2 AWARD**

9782/01



S15-9782-01

**RETAIL BUSINESS  
UNIT 2: Retail Business**

A.M. TUESDAY, 16 June 2015

1 hour 15 minutes

For Examiner's use only		
Question	Maximum Mark	Mark Awarded
1.	23	
2.	22	
3.	15	
<b>Total</b>	<b>60</b>	

**ADDITIONAL MATERIALS**

Calculators may be used.

**INSTRUCTIONS TO CANDIDATES**

Use black ink or black ball-point pen.

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.

**INFORMATION FOR CANDIDATES**

The total for the paper is 60 marks.

The number of marks is given in brackets at the end of each question or part-question.

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

1. Study **Scenario 1** which gives information on a retail business.

**Scenario 1**

**DD Organic Shop is located on a large housing estate within the town of Ashtown. The shop offers a wide range of food and drink and is owned by Mr Daniel Porter and his wife Diane.**

**A new supermarket is soon to open on the outskirts of the housing estate, and the cost of parking in a nearby car park is to increase, both of which are of concern to the owners.**

- (a) (i) Describe the likely form of ownership of DD Organic Shop. [2]

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- (ii) Explain **two** advantages of the form of ownership you have described in 1(a)(i). [4]

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2. ....

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(b) (i) Identify which of the following location types is described in **Scenario 1**.

[1]

Tick (✓) **one** box only.

a. Shopping centre

b. Rural

c. Transport hub

d. Urban

(ii) Explain how the following location characteristics might affect the DD Organic Shop business. [4]

Parking:

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Competition:

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The owners of DD Organic Shop have set a financial objective to increase profits by 12% in 2015.

- (c) (i) Suggest **two** financial objectives, other than increasing profits, the owners could have set. [2]

1. ....

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2. ....

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- (ii) Explain **two** methods which Mr and Mrs Porter might use in order to achieve their financial objective of increasing profits by 12% in 2015. [4]

1. ....

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2. ....

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DD Organic Shop is likely to be affected by environmental and social factors such as those given in the box below.

<b>Demographics</b>	<b>Sustainability</b>
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(d) Explain how the factors given in the box might affect the types of products sold at DD Organic Shop. [6]

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2. Study **Scenario 2** which gives information on a retail business.

**Scenario 2**

**Zhang PLC (public limited company) is a large electrical retailer which operates in the UK. It specialises in selling home electronics and household appliances. The business has more than 120 stores throughout the UK, many of which are located in out-of-town retail parks.  
Zhang PLC's main objective is to be the largest electrical retailer in the UK by 2020.**

(a) (i) Describe the features of a public limited company (PLC). [4]

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(ii) Explain **one** disadvantage of operating as a public limited company (PLC). [2]

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In order to meet its 2020 objective of being the largest electrical retailer in the UK, Zhang PLC plans to review its staff training.

- (b) Explain **one** way in which staff training might help Zhang PLC meet its 2020 objective. [2]

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Zhang PLC is concerned that the UK economy is heading into a negative economic situation, such as a recession, which might prevent the business from meeting its main objective of becoming the largest UK electrical retailer by 2020.

- (c) Explain possible negative economic factors which might affect Zhang PLC's success in achieving its main objective by 2020. [6]

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The majority of Zhang PLC stores are located in out-of-town retail parks; however, the company is considering the opening of new stores in city centres in order to meet its 2020 objective.

(d) Complete the following table by explaining:

[8]

<p>One <b>advantage</b> of a city centre location:</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>	<p>One <b>disadvantage</b> of a city centre location:</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>
<p>One <b>advantage</b> of an out-of-town retail park location:</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>	<p>One <b>disadvantage</b> of an out-of-town retail park location:</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>



3. Study **Scenario 3** which gives information on retail businesses in a small town.

**Scenario 3**

Mapington is a busy town with a population of around 10,000 people. The town's high street has a mixture of retail businesses including franchises, charities, food outlets and some long-established shops such as grocers, bakers and butchers. During the last few years the footfall for the high street has declined and some shops have closed down. Temporary (e.g. pop-up) shops have sometimes rented the empty shops.

The town has a very active retailers' association which supports the town's retail businesses.

- (a) Explain the following types of retail business.

[4]

Franchise:

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Temporary shop (e.g. pop-up):

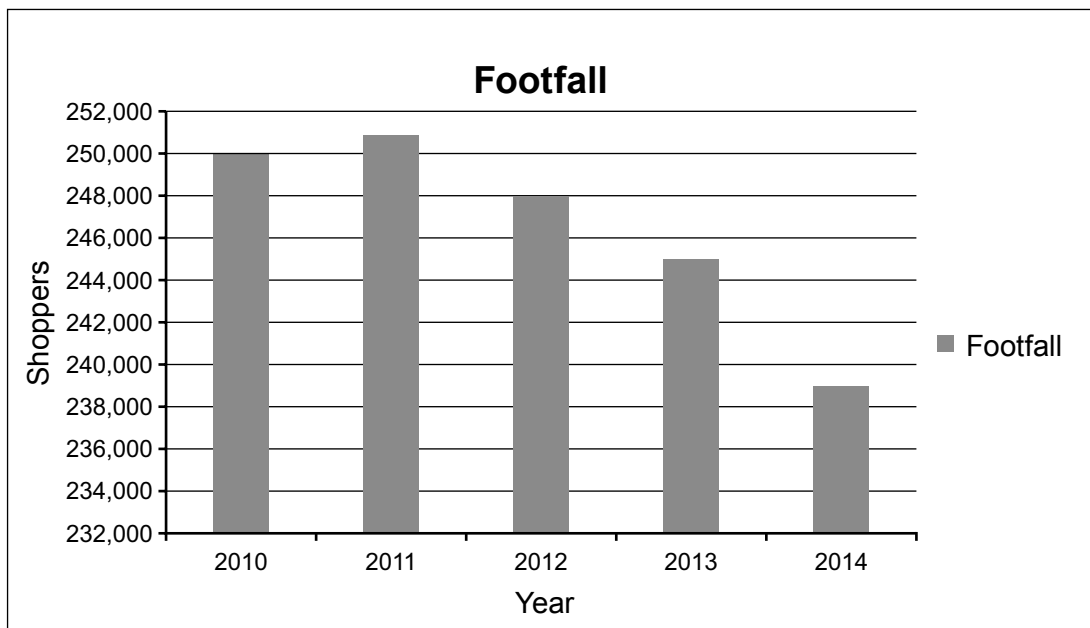
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Study **Figure 1** which shows the footfall for the town of Mapington over the last five years.



**Figure 1**

- (b) (i) Using **Figure 1**, calculate the decrease in footfall between 2010 and 2014. [1]

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Mapington Retailers' Association has set the objective of increasing footfall by 15% between 2014 and 2016.

- (ii) Calculate the footfall that Mapington Retailers' Association is aiming for in 2016. [2]

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Mapington Retailers' Association has proposed the following solutions in response to the decrease in footfall.

- Mapington Annual Food and Drink Festival
- Free parking for two hours

(c) Explain how each suggested solution might help Mapington Retailers' Association achieve their objective of increasing footfall by 2016. [4]

Mapington Annual Food and Drink Festival:

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Free parking for two hours:

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Mapington's county council is planning to raise business rates by 10%.

- (d) Explain how this increase in the business rate might impact on the operation of retail businesses in Mapington. [4]

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**END OF PAPER**