Surname	Centre Number	Candidate Number
Other Names		2



GCE AS/A Level

2510U10-1 **– NEW AS**



BUSINESS – Unit 1 Business Opportunities

P.M. THURSDAY, 19 May 2016

1 hour 15 minutes

For Examiner's use only			
Question	Maximum Mark	Mark Awarded	
1.	4		
2.	6		
3(a)	2		
3(b)	6		
4.	8		
5(a)	4		
5(b)	4		
5(c)	4		
6 <i>(a)</i>	10		
6(b)	12		
Total	60		

INSTRUCTIONS TO CANDIDATES

Use black ink or black ball-point pen. Do not use pencil or gel pen. Do not use correction fluid. Write your name, centre number and candidate number in the spaces at the top of this page. Answer **all** the questions.

Write your answers in the spaces provided in this booklet. If you run out of space, use the continuation pages 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 reminded of the need for good English and orderly, clear presentation in your answers.



Answer all the questions in the spaces provided.	
Identify and explain two motives that encourage individuals to become entrepreneurs. (i)	[4]
(ii)	
Using examples of goods sold in a supermarket, explain the difference between inferior normal goods.	r and [6]



comp that c of bus whos	usinesses operate in a market . However, the nature of the market in ete can vary considerably. Monopolistic competition is a form of im an be found in many markets. For example, across Wales there are are sinesses being set up to provide care homes for the elderly and nurseries parents wish to return to work. Both examples fit into the market structerition.	perfect competition increasing numbers for young childre
(a)	What is meant by the term <i>market</i> ?	[2
(b)	Explain, with reference to the examples given in the text, what is me competition.	ant by <i>monopolis</i> [



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2510U101

Llinos runs a coffee shop in Aberystwyth and business has been good in recent months. She has decided to increase the price of her cups of coffee. Her daughter, Anna, back home for the summer having completed the first year of her Business degree, pointed out that 'Unless you are certain about the price elasticity of demand for your cups of coffee, raising price might be a poor decision.' Llinos did not have a clue what Anna was talking about and asked her to explain what she meant.			
Consider, using the concept of price elasticity of demand, why 'raising price might be a pool decision'. [8]			



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5.	Rogers Travel Ltd is a medium sized enterprise, employing 20 people, based in Swansea. It built its success on providing summer package holidays to Spain and Italy. After reading an article which indicated a 10% rise in holidaymakers choosing Scandinavia as a destination, the owner of the business, Steve Rogers, carried out a series of interviews to try and establish whether it might be worthwhile offering package holidays to the region. This provided him with both quantitative and qualitative data . On the basis of his research findings he went ahead. However, sales to this region proved poor and the strategy had produced a loss.
	(a) With reference to Rogers Travel Ltd, distinguish between <i>quantitative and qualitative data</i> . [4]

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invite had ι the p packa	e is now considering the American market. Not being able to afford any further mistakes, he does not not be in DataWatch, a firm of market research experts. They pointed out that the research handertaken was flawed because the size of the sample was too small and that virtually a eople interviewed in the research were retired. DataWatch offered him a market research age based on random sampling methods which they claimed would produce more reliable to use as a basis for Rogers Travel Ltd's marketing strategy.
(b)	Describe the approach that DataWatch might use when gathering a random sample. [4]
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(c)	Explain how the use of <i>random sampling</i> will improve the reliability of the market research used by Rogers Travel Ltd.
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Bronwen Lewis and Lucy Williams met at a Veterinary Conference in 2014 and had since become good friends. Bronwen had set up a veterinary practice as a sole trader in Newtown in Mid-Wales ten years ago whilst newly qualified Lucy was currently employed by a large practice on the outskirts of Cardiff.
Bronwen's practice was very busy and she often had more work than she could cope with. She particularly wanted to expand her practice by building a new operating theatre for large animals in order to take advantage of the increasing number of horse owners in the surrounding area. However, accessing sources of finance for a small enterprise such as hers was a problem.
(a) Evaluate different sources of finance available in Wales to sole traders, such as Bronwen Lewis, to assist in setting up and expanding a business. [10]



		Exa
•••••		
Bronv to inv to ma	arch 2016 Bronwen phoned Lucy asking if she would like to come and join her in Mid-Wales. Wen proposed that they form a private limited company and that she would be prepared yest £60000 into the business if Lucy could invest £30000. It did not take long for Lucy ake up her mind and within a month they had started the process of registering their new the limited company with the Registrar of Companies in Cardiff.	
(b)	Assess the decision to form a private limited company from both Bronwen's and Lucy's point of view. [12]	
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	Examiner only
END OF PAPER	







Question number	Additional page, if required. Write the question number(s) in the left-hand margin.	Examiner only



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