

Write your name here

Surname

Other names

Centre Number

Candidate Number

Edexcel GCE

Business Studies/Economics and Business

Advanced Subsidiary

Unit 1: Developing New Business Ideas

Monday 14 May 2012 – Afternoon

Time: 1 hour 15 minutes

Paper Reference

6BS01/01

6EB01/01

You do not need any other materials.

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions in Section A and Section B.
- Answer the questions in the spaces provided
– *there may be more space than you need.*
- You may use a calculator.

Information

- The total mark for this paper is 70.
- The marks for **each** question are shown in brackets
– *use this as a guide as to how much time to spend on each question.*
- Quality of written communication will be taken into account in the marking of your response to Question 13 in Section B. This question is indicated with an asterisk *
– *you should take particular care on this question with your spelling, punctuation and grammar, as well as the clarity of expression.*

Advice

- Read each question carefully before you start to answer it.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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PEARSON

SECTION A

Answer ALL the questions in this section.

Write the letter of your chosen answer in the box and then explain your choice in the space provided.

You should spend 30 minutes on this section.

Use the data to support your answers where relevant. You may annotate and include diagrams in your answers.

- 1** (a) In July 2010, the Office for National Statistics (ONS) announced an 'unexpected jump in retail sales of 0.7% in June'.

For a retailer, the ONS is **best** described as a source of

(1)

- A** primary research data
- B** secondary research data
- C** qualitative data
- D** biased data

Answer

- (b) Explain your answer.

(3)

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(Total for Question 1 = 4 marks)



2 (a) In June 2010, compared to the same month in 2009, car production increased in the UK by 28%.

Which one of the following is the **most likely** explanation for this increase in production?

(1)

- A Market orientation
- B Higher interest rates in EU countries that are major importers of UK cars
- C Product trial failures of new UK car designs
- D Ending of the UK Government's car subsidy scheme

Answer

(b) Explain your answer.

(3)

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(Total for Question 2 = 4 marks)



- 3 (a) It has been reported that Britain has produced a 'boomerang' generation of young adults between the ages of 21 and 24 who, on leaving university, choose to return to their parental home.

An increase in the 'boomerang' generation is **most likely** to reduce the demand for (1)

- A computer games
- B holidays
- C electricity
- D clothing

Answer

- (b) Explain your answer. (3)

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(Total for Question 3 = 4 marks)



4 (a) In 2010, Muslim businesswoman Samina Akhter launched Britain's first range of Halal make-up, which included lipsticks and eyeliners made from plant extracts and minerals instead of alcohol and animal fats.

The above is **best** described as

(1)

- A niche marketing
- B repeat purchases
- C market mapping
- D a trade off

Answer

(b) Explain your answer.

(3)

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(Total for Question 4 = 4 marks)



5 (a) Market research company Mintel reported 'in 2009 one in eight nightclubs in the UK closed its doors for good'.

All of the following may have contributed to the above, **except**

(1)

- A a government smoking ban in public places
- B the increased availability of cut-price alcohol in supermarkets
- C an increase in the rent on premises
- D a fall in the level of unemployment

Answer

(b) Explain your answer.

(3)

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(Total for Question 5 = 4 marks)



6 (a) The BBC TV series High Street Dreams, which gives advice to entrepreneurs, argues that it is 'essential to have a business plan when engaged in a business start-up'.

A business plan will

(1)

- A ensure that the business will make a profit
- B guarantee customers
- C support applications for start-up capital
- D improve cash-flow

Answer

(b) Explain your answer.

(3)

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(Total for Question 6 = 4 marks)



7 (a) In the second quarter of 2010, demand for the new iPad computer and the iPhone 4 helped profits soar at Apple. Revenues were £10.3 billion and profits increased to £2.1 billion.

Which of the following is **necessarily** correct?

(1)

- A Total costs must have risen by more than total revenue
- B Fixed costs did not change in the second quarter
- C Margin of safety may have been lower
- D Price or sales volume may have increased

Answer

(b) Explain your answer.

(3)

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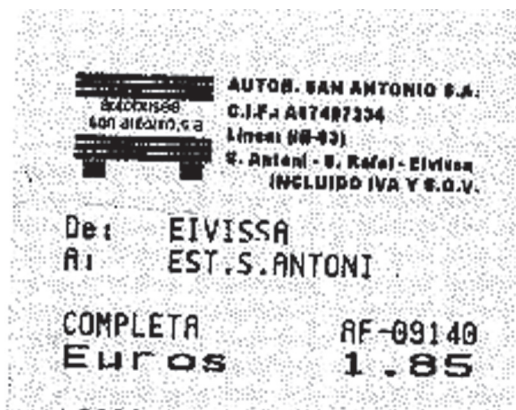
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(Total for Question 7 = 4 marks)



8 (a) Look carefully at the receipts below:



Wladimir FIDELMIGUE
D.N.I. 46.951.162-C

ALQUILER
Hamaca o Sombrilla
Personal e Intransferible

Nº 03547

Total 7,00 €
I.V.A. incluido

If, in July 2010, the exchange rate of the £ sterling to the Euro was £1 = €1.20, the bus fare and rental of the Hamaca o Sombrilla would have cost a British tourist in Ibiza the total equivalent of

(1)

- A £10.62
- B £8.85
- C £7.38
- D £5.15

Answer

(b) Explain your answer (show your workings).

(3)

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(Total for Question 8 = 4 marks)

TOTAL FOR SECTION A = 32 MARKS



SECTION B

Answer ALL the questions in this section.

You are advised to spend 45 minutes on this section.

Evidence A

Let them eat cake!

After spending nine years working as a radiographer at The City Hospital in Birmingham, Anna Button decided she would like to be more creative. Inspired by compliments from friends and members of her family about her delicious home made cakes and bread, Anna decided to supplement her income by setting up Button's Bakery Limited in her home in the summer of 2009.



Within a year of trading Anna managed a turnover of £12 000 – almost a third of her £34 000 radiographer's salary! The key to her success has been her hard work and passion for using only the best ingredients such as Fairtrade cocoa and sugar, free-range eggs, locally sourced flour and organically grown citrus fruits, all reflecting her desire to be eco-friendly.

'Having a sensitivity to people's lifestyles, and knowing customer tastes has also been critical' comments Anna. 'I have to make sure that if I'm making a wedding cake I get to know the bride, the groom and even the parents – especially as they often pay the bill!'

Anna's product range varies from £1.50 simple mini cup cakes to £150 celebration cakes which may have taken hours to decorate with sugar roses and intricate icing designs.

Button's Bakery uses a variety of distribution channels to get its products to the customer. Anna uses mail order, backed up by an attractive website, wedding fayres and corporate events such as the Birmingham Young Professional of the Year. Anna has even supplied the City Hospital with cup cakes for events designed to boost staff morale. This has often helped her with cash-flow problems when she has needed to buy expensive equipment like a new £2 000 electric fan-oven to increase capacity.

Anna's production and sales have also been given a boost most recently by an advertorial* in Vogue magazine. Included in the magical black and white theme page of March 2010's issue of Vogue was a photo of one of Anna's white rose cup cakes (pictured opposite) which proved to be very popular amongst brides-to-be readers. Vogue writer commented that "Anna's products are, quite simply, an affordable luxury any wedding planner should have on their list as a must!" Let them eat cake, indeed.



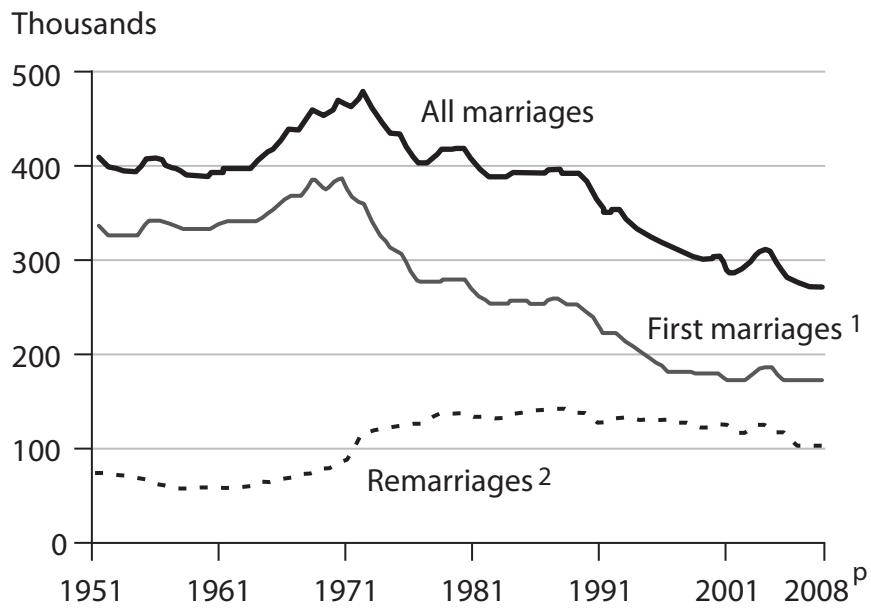
(Source: adapted from interview with Anna Button, June 2010)

*an advertorial is a paid for feature in an editorial section of a magazine which gives a product endorsement.



Marriages

Registrations in England and Wales 1951–2008



1 for both partners
 2 for one or both partners
 p figures for 2008 are provisional

Figure 1

(Source: adapted from ONS Social Trends: www.statistics.gov.uk/cci/nugget.asp?id=322)



9 Explain **two** factors that could affect the demand for Anna's cakes.

Dotted lines for writing the answer.

(Total for Question 9 = 6 marks)



10 With reference to the case study, explain **one** entrepreneurial motive which has contributed to Anna's success.

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(Total for Question 10 = 4 marks)



***13** Evaluate the likely value of the following to Button's Bakery:

(a) Marketing mapping.

(6)

A series of horizontal dotted lines for writing the answer to the question.



(b) Break-even analysis.

(6)

Area with horizontal dotted lines for writing the answer.

(Total for Question 13 = 12 marks)

TOTAL FOR SECTION B = 38 MARKS
TOTAL FOR PAPER = 70 MARKS



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