

Ce	ntre Number
71	

Candidate Numbe	r
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General Certificate of Secondary Education 2014

Applied Business

[G9372]



MONDAY 2 JUNE, MORNING

TIME

1 hour.

INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number in the spaces provided at the top of this page.

There should be enough space for your answers.

If you do require more space, you may complete your answers on the extra lined pages at the back of this booklet.

Write your answers in the spaces provided in this question paper. Answer **all six** questions.

INFORMATION FOR CANDIDATES

The total mark for this paper is 100.

Figures in brackets printed down the right-hand side of pages indicate the marks awarded to each question or part question.

Quality of written communication will be assessed in Questions 1(d), 2(k), 4(b) and 6(b).

For Exa	_
Question Number	Marks
1	
2	
3	
4	
5	
6	

l Total l	
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Marks	
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Case Study

Read the case study below and answer the questions that follow.

Go-Go-Gym

Go-Go-Gym is a recreational and fitness business that was developed from small beginnings by Marcus Montgomery, in July 2005. It began as a hobby in the unused garage of his parent's home. It has grown extensively within Northern Ireland.

The business has premises throughout Northern Ireland with the exception of County Fermanagh. The organisation is very keen to establish itself in Enniskillen.

Simon McDonald, a young and very enthusiastic personal trainer in the County Tyrone Go-Go-Gym has five years experience in the personal health and fitness industry. Simon would like to be in control of his own gym one day. He is currently the Assistant Manager and is very highly regarded by the owner, his colleagues and gym clients.

Simon's attitude to work is incredibly positive. He is also very focused in his approach to his own fitness level. Throughout his career he has competed in many local, national and international sporting events achieving many awards as well as raising thousands of pounds for charity. He encourages his clients to take the same approach and is known for two statements, "no pain, no gain" and "reach for the stars".

Marcus anticipates the recreational, personal health and fitness market will continue to grow and is committed to having a total of 12 gym outlets throughout Northern Ireland by July 2020.

Source: own source

Answer all questions

Examiner Only

Marks Remark

1/0	cus Montgomery is the owner of Go-Go-Gym.		
iviai	out management to and a mineral areas of the	1	
(a)	What is the term given to a person who owns their own business, other than a sole trader?		
		[1]	
<i>.</i>			
(b)	What does this term mean?		
		[1]	
(c)	List three factors that a business owner must consider before setting up in business.	ıg	
	1	[1]	
	2	[1]	
		. r.1	
	3		
(d)	Discuss the characteristics a business owner, such as Marcus Montgomery, must have in order to make their business a success.		
(d)	Discuss the characteristics a business owner, such as Marcus		
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		[8]	

(a)	Name the type of business ownership that Go-Go-Gym trades und	Examiner Only
		Marks Remark
(b)	State one advantage of this type of business ownership to Marcus Montgomery.	
		[1]
(c)	State one disadvantage of this type of business ownership to Marc Montgomery.	cus
		[1]
(d)	If Marcus Montgomery were to ask Simon McDonald to become involved in the ownership of the business, what type of business ownership would it then become?	
		_ [1]
(e)	State one advantage of this new type of business ownership to Go-Go-Gym.	
		[1]
(f)	State one disadvantage of this new type of business ownership to Go-Go-Gym.	
		[1]
(g)	Name the document that Marcus Montgomery and Simon McDona would need to have drawn up if this type of business ownership wa go ahead.	
		_ [1]

(h)	Identify three issues that would need to be addressed in this document.		Examiner Only Marks Remark
	1	_ [1]	
	2	_ [1]	
	3	_[1]	
(i)	If Marcus Montgomery and Simon McDonald decide not to have the document drawn up, which law would be used to resolve any issue		
		_ [1]	
(j)	Which sector of the economy is Go-Go-Gym operating in?	[4]	
		_ [']	
(k)	Discuss three business aims that Go-Go-Gym should focus on to ensure the business will continue into the future and meet its 2020 target.		
		_	
		_ [8]	

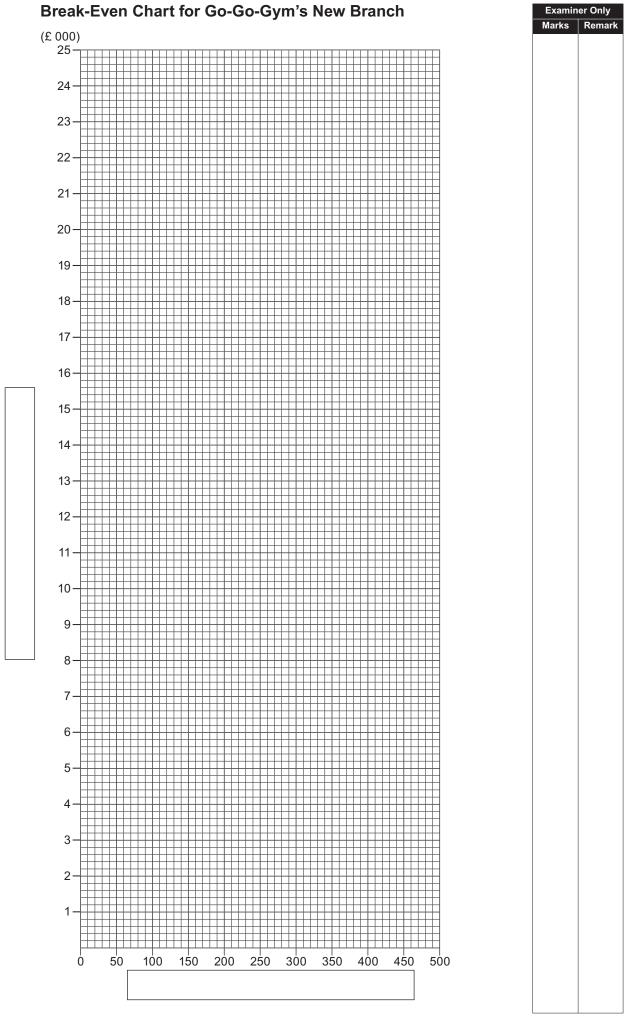
What is a stakeholder?	
	[1]
Explain the importance of four stakeholders in Go-Go-G	Gym.
1	
2	
3	
3	
4	
	[2]
Using an example of a stakeholder for Go-Go-Gym, disc may be in conflict with one other stakeholder.	cuss why they
Example:	[1]
	[3]

Type of production:	[1	Marks
Type of production.	['	1
	[2	1
	L -	1

ther by July 2020.	Marks	
Identify the method of growth used by Go-Go-Gym.		
	_ [1]	
	_,,	
Analyse the implications of growth for the future of Go-Go-Gym.		
, mary countries and marginal and ratars of the Countries		
	[8]	
	_ [0]	
Discuss one benefit and one drawback of international trade to		
Go-Go-Gym, if it was to expand its operation to the Republic of		
Ireland.		
Benefit		
Drawback		

List three items that Marcus will require finance for:	
1	[1]
2	[1]
3	[1]
Explain two sources from which Marcus could obtain this finance.	additional
Source 1:	
	[2]
Source 2:	
	[2]
In order to obtain additional finance for Go-Go-Gym's new branch, Marcus will be required to develop a business plar	
Discuss two reasons for Marcus developing a business pla	
Discuss two reasons for Marcus developing a business plant.	
1.	
1.	
1.	

	Va	xed Costs ariable Costs embership Fee	£ 5,000 per month 25 per client 50 per client per mo	onth		
Th (i)			of clients for the gym's memory ow, calculate the Break-Even			
," <i>)</i>		onth for Go-Go-Gyn		Tromit per		
	Bre	eak-Even Point =	Fixed Costs Selling Price – Variable Cost	ŧ		
				[3]		
ii)	Construct a Break-Even Chart on the page opposite for Go-Go-Gym's new branch and label the following:					
	1.	Fixed Costs line		[1]		
	2.	Total Costs line		[1]		
	3.	Total Revenue line	е	[1]		
	4.	Profit and Loss ar	reas	[2]		
	5.	Margin of Safety		[1]		
	6.	Axis		[2]		
	7.	Break-Even Point	t.	[1]		



branch in Enniskillen.		Marks
Identify the most appropriate method of promotion for Marcus to use to inform his potential clients that Go-Go-Gym will be opening in July 2014.	ıse	
	_ [1]	
Analyse how this method can be used to promote Go-Go-Gym's r branch effectively.	new	
	[6]	
THIS IS THE END OF THE QUESTION PAPER		

Continuation page (Use this page if you need more space to complete your answers.)

Question Number	Number your answers clearly
Number	

Continuation page (Use this page if you need more space to complete your answers.)

Question	Number your answers clearly
Number	