

Centre Number						Candidate Number				
Surname										
Other Names										
Candidate Signature										

For Examiner's Use	
Examiner's Initials	
Question	Mark
1	
2	
TOTAL	



General Certificate of Secondary Education
June 2010

Business Studies Short Course

413013

Unit 13 Business Start Up

Friday 28 May 2010 1.30 pm to 2.30 pm

You will need no other materials.
You may use a calculator.

Time allowed

- 1 hour

Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions.
- You must answer the questions in the spaces provided. Do not write outside the box around each page or on blank pages.
- Do all rough work in this book. Cross through any work you do not want to be marked.

Information

- The marks for questions are shown in brackets.
- The maximum mark for this paper is 40.
- You are reminded of the need for good English and clear presentation in your answers. Quality of Written Communication will be assessed in questions 1(c) and 2(e).



J U N 1 0 4 1 3 0 1 3 0 1

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

Total for this question: 16 marks

1 Read **Item A** and then answer the questions that follow.

Item A

The Console Café

Charlotte had not done very well at school, but she hoped that the business plan that she produced would convince The Prince’s Trust to give her the grant of £5000 which she needed to help her set up *The Console Café*.

The Console Café would offer customers the chance to use a range of games consoles and games for a fee. It would also sell hot and cold drinks and snacks for the customers to buy whilst they were playing games. Charlotte is convinced that the business would make a profit. Her target audience of teenagers have very few other places to spend their time in the town and Charlotte is certain that she could keep prices low enough to attract them to come regularly.

She still had a number of decisions to make, including exactly where to locate the café.

1 (a) What is meant by the term ‘profit’?

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(2 marks)



1 (b) Explain **two** benefits to Charlotte of producing a business plan.

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(4 marks)

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Question 1 continues on the next page

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16

Turn over for the next question

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Total for this question: 24 marks**2** Read **Item B** and then answer the questions that follow.**Item B*****The Toy Story***

When Fernando discovered that his local toy shop, *The Toy Story*, was up for sale, he took the chance to take on the challenge of turning round a failing local business. He always remembered *The Toy Story* for the personalised hand-made toys that it used to sell.

Once he had bought the shop, the problems soon became clear.

- The previous owner had refused to sell any electronic toys.
- Many locals never went inside the shop, claiming that they did not even know there was a toy shop on the High Street.
- As the shop was so small, Fernando found that his suppliers charged him high prices for his stock.

Fernando wanted to spend his time making wooden toys that he could sell in the shop. He would need an assistant to help him manage the business. Fernando was not convinced that the current part-time employee could be a successful assistant manager. He, therefore, chose to recruit externally.



2 (a) Fernando uses job production to make wooden toys. What is meant by the term 'job production'?

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(2 marks)

2 (b) State and explain a suitable objective for the toy shop.

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(2 marks)

2 (c) Item B states that Fernando chose to recruit an assistant manager externally rather than promoting his current employee.

Explain **two** benefits to Fernando of using external recruitment.

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(4 marks)

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Item C***The Toy Story's Cash Flow***

The previous owner had produced a cash-flow forecast which Fernando studied with great concern. An extract is shown below.

All figures are in £s.
Brackets show negative figures.

Year	2010			2011
Month	October	November	December	January
Cash in from sales	4 500	4 500	3 800	2 800
Cash outflows:				
Stock	2 000	2 000	2 000	2 000
Marketing	0	0	0	0
Other costs	2 400	2 500	2 700	2 900
Total cash outflows	4 400	4 500	4 700	4 900
Net cash flow	100	0	(900)	(2 100)
Opening balance	3 000	3 100	3 100	2 200
Closing balance	3 100	3 100	2 200	100



2 (d) The cash-flow forecast worried Fernando.
Explain **two** problems shown by the cash-flow forecast.

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(6 marks)

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Extra space

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24

END OF QUESTIONS



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ANSWER IN THE SPACES PROVIDED**

