

Centre Number						Candidate Number				
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Other Names										
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For Examiner's Use	
Examiner's Initials	
Question	Mark
1	
2	
TOTAL	



General Certificate of Secondary Education
June 2012

Business Studies (Short Course)

413013

Unit 13 Business Start Up

Tuesday 22 May 2012 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(e) and 2(e).



J U N 1 2 4 1 3 0 1 3 0 1

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

Total for this question: 18 marks

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

Item A
Olympic Dreams

Omar never made it to the Olympics. He was once a talented long-jumper and, 10 years after retiring, still has a passion for athletics. Omar is now a youth worker and plans to set up an athletics club. The club will be a social enterprise. It is designed to keep children and teenagers out of trouble. To create an interest in athletics, the club will use some of the London Olympic training facilities.

Members will pay an annual membership fee to cover the costs of running the club. Omar has already arranged a government grant to cover most of his start-up costs. He hopes that he will be able to make a small profit to improve local athletics facilities.

Figure 1 – Athletics club financial data

Membership fee per person	£20 per year
Costs of running the club	£4000 per year



Source: photograph, *Getty Images*

1 (a) Explain what is meant by a ‘social enterprise’.

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(2 marks)



1 (b) In addition to the government grant, Omar needs to raise an extra £2000 to start up his athletics club.

Identify **two** sources of finance that Omar could use to raise the extra £2000.

1

2

(2 marks)

1 (c) Explain what is meant by 'profit'.

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(2 marks)

Extra space

1 (d) Using **Figure 1**, calculate the profit per year that Omar can expect to make if he attracts 220 members a year.

Profit per year:

Workings:

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(3 marks)

Question 1 continues on the next page

Turn over ►



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18

Turn over for the next question

Turn over ►



Total for this question: 22 marks

2 Read **Item B** and then answer the questions that follow.

Item B

MyTeddyBear.com Ltd

MyTeddyBear.com Ltd was set up 5 years ago by two friends, Prianka and Jemma. The business offers customers the opportunity to buy their own, personalised teddy bears. Customers can personalise a teddy bear to meet their own requirements. They can choose the bear's size, colour, shape, clothes and accessories, and they can add a personal message to the bear. *MyTeddyBear.com Ltd* sells only through their own website.

The business has a small factory in which the bears are handmade for each customer. The business employs 10 experienced, part-time factory workers who have a range of specialist skills. The factory workers were recruited using only personal recommendations from existing workers.

Demand for bears is highly seasonal, with most of the work coming in the run-up to Valentine's Day and Christmas. These periods often see delays in production because simpler tasks, such as cutting and stuffing, take up a lot of staff time. Workers currently specialise on specific tasks. To help to improve efficiency in the factory, Jemma thinks that more staff training is required so that each worker is trained to cover a greater range of tasks.

The business is still growing and expects to recruit more workers in order to achieve the objective which Prianka and Jemma have set for next year: to increase profit by 50% in 2013.



Source: photograph, *Thinkstock*

2 (a) Explain **one** problem for *MyTeddyBear.com Ltd* of using part-time staff instead of full-time staff in the factory.

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(2 marks)



2 (b) Explain **one** possible benefit and **one** possible problem for *MyTeddyBear.com Ltd* of using only personal recommendations when recruiting new factory workers.

Benefit

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Extra space

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Problem

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Extra space

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(4 marks)

2 (c) Explain **one** benefit to *MyTeddyBear.com Ltd* of selling only through their own website.

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(2 marks)

Extra space

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Question 2 continues on the next page

Turn over ►



2 (d) Using the information in **Item B**, explain why *My TeddyBear.com Ltd*'s stakeholders might support the objective to increase profit by 50% in 2013.

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(5 marks)

Extra space

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22

END OF QUESTIONS



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