

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 2013

Business Studies (Short Course)

413013

Unit 13 Business Start Up

Tuesday 21 May 2013 9.00 am to 10.00 am

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(d) and 2(d).



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

Total for this question: 19 marks

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

Item A
Special Fried Start-up



Jen Pang had a dream – to bring restaurant-quality Chinese food to the takeaway market. Having been born and raised in a small town near York, she knew the area well. The town had plenty of vacant shops available to rent, both in the High Street and further out of town.

Jen was convinced that she would have to provide the very best service for customers, in order to stand out from the competition and to maximise her revenue. Therefore, she bought high quality kitchen equipment and employed a skilled chef. Jen also chose a top-of-the-range delivery van so that she could offer a good delivery service. When she recruited a driver and two assistants, she looked for enthusiastic people who would be highly motivated.

As opening day approached, Jen decided to spend £1500 on marketing. She met her long-time friend Dave, a business adviser, to consider the options below.

Marketing method	Cost information	Other information
Printed menus to be delivered to local houses	£300 for printing 1000 menus, including delivery costs.	There are 1000 homes within 2 miles of Jen's proposed business, and 5000 homes within 5 miles.
Website	£500 initial design cost for a high quality site showing menu and contact details.	For an extra £1000 the site would allow orders to be taken through the website.
Advertisements in the local paper	£400 buys one half page advertisement for one week in the local free newspaper.	The newspaper is widely read in town and is published once a week.

Source: photograph, *Getty Images*



1 (a) Explain what is meant by 'revenue'.

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(2 marks)

1 (b) Describe **one** way in which Jen's staff could offer good customer service.

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(2 marks)

Extra space

1 (c) Explain **two** possible factors that might have influenced where Jen chose to locate her business.

Factor 1

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Extra space

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Turn over ►



Factor 2

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(6 marks)

Extra space

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1 (d) Recommend to Jen the best way to spend the £1500 for marketing the start-up of the new business. Justify your recommendation.

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Turn over for the next question

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Total for this question: 21 marks2 Read **Item B** and then answer the questions that follow.**Item B****Top Class Glass**

Dan Whatley loves glass. His business – *DWG* – was set up 15 years ago and makes glass decorations for wealthy customers. Once an order is placed, the team of three highly skilled glassblowers work on the job together. There are very few skilled glassblowers available, so Dan wants to keep his staff. However, Dan is concerned that they are not performing as well as they could. In addition, Dan is considering whether to convert the business into a private limited company. Dan has plenty of other worries.

- Several customers have recently complained that orders have been completed later than the agreed delivery date.
- Dan's customers, who pay for their goods after they have been delivered, are taking longer to pay.
- Suppliers are insisting on being paid as soon as they supply the raw materials.
- There have been more quality problems than usual in the past year.
- Dan needs to replace the business's computer system; he is planning to do this in September at a cost of £2000.

Dan is also concerned about the business's cash flow, so he prepared a cash-flow forecast for the next four months, shown below.

Extract from DWG Cash-Flow Forecast

	All figures are in £			
	August	September	October	November
Cash in from sales	12 000	1 000	4 000	16 000
Cash outflows:				
Materials	500	2 000	8 000	6 000
Other costs	4 000	4 000	4 000	4 000
Cost of new computer system		2 000		
Total cash outflows	4 500	8 000	12 000	10 000
Net cash flow	7 500	(7 000)	(8 000)	6 000
Opening balance	(6 000)	1 500	(5 500)	(13 500)
Closing balance	1 500	(5 500)	(13 500)	(7 500)

() indicate a negative amount



2 (a) Explain **one** way in which customers of *DWG* are protected by the law.

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(2 marks)

2 (b) Explain **one** benefit and **one** drawback of *DWG* becoming a private limited company.

Benefit

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Drawback

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(4 marks)

2 (c) Explain **two** possible ways in which *DWG* could improve its cash flow.

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(6 marks)

Extra space

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2 (d) Dan believes that the success of the business depends on improving the performance of his staff. He is considering two ways of doing this:

- paying the staff a bonus for each job finished on time
- or
- making each worker responsible for an individual customer's order.

Recommend the best way for Dan to improve the performance of his staff. Justify your answer.

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21

END OF QUESTIONS



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