

Centre Number						Candidate Number				
Surname										
Other Names										
Candidate Signature										

For Examiner's Use	
Examiner's Initials	
Question	Mark
1	
2	
3	
TOTAL	



General Certificate of Secondary Education  
Specimen Paper

# Business Subjects and Economics

## 4130/01

### Unit 1 Setting up a Business

#### Written Paper

**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 space provided. Answers written in margins or on blank pages will not be marked.
- 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 60.
- You are reminded of the need for good English and clear presentation in your answers. All questions should be answered in continuous prose. Quality of Written Communication will be assessed in question 1 (c), 2 (c) and 3 (d).



Barcode

## 4130/01

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

**Total for this question: 15 marks**

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

**Item A**

19 year-old Josef wants to run his own computer repair business. Josef needs £20 000 to start up his business. Josef's father is prepared to lend him £10 000, which is half of what he needs and tells him that banks will often help new businesses. The bank may offer him the other £10 000 that he needs if he writes a business plan.

**1 (a)** What is meant by a 'business plan'?

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(2 marks)

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**1 (b)** Explain **two** ways in which banks can help a new business such as Josef's.

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*(4 marks)*

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**Question 1 continues on the next page**



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**15**

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**Total for this question: 21 marks**

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

**Item B**

Phil and Sandra run a chain of five vegetarian restaurants in London. The restaurants are each called *'The Greenhouse'*.

The restaurants have a very good reputation for quality food and high standards of service. Phil and Sandra believe they are successful because each restaurant has a well motivated team of staff.

At the moment, the restaurant chain has vacancies for three waiters/waitresses.

Phil and Sandra feel it is time to expand their business. They are considering selling *The Greenhouse* franchises to people who want to run a restaurant rather than starting an independent restaurant.

**2 (a) (i)** What is meant by a 'franchise'?

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(2 marks)

(Extra space).....

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**2** (a) (ii) Explain **two** reasons why someone might choose to buy a franchise from 'The Greenhouse'.

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**2** (b) Explain **two** suitable methods by which Phil and Sandra could select the waiters/waitresses that they need to recruit.

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**Total for this question: 24 marks**

**3** Read **Item C** and then answer the questions that follow.

**Item C**

Connie runs a small business making cakes for weddings, birthdays and other special occasions. She sells 80 cakes each month at an average price of £25. Each cake costs Connie £8 to make. She pays £40 each month to place advertising cards in local newsagents.

At the moment, Connie makes and finishes one cake before she starts making the next one. She has heard that batch production might be a better way for her to make the cakes.

Recently, a local supermarket has started to sell a range of birthday cakes at lower prices than Connie charges. The local supermarket uses lower quality ingredients in its cake production than Connie.

**3** (a) Using **Item C**, calculate how much profit Connie makes each month. Show all of your workings out clearly.

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**3 (b)** Explain why batch production might be a better way for Connie to make the cakes.

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**Question 3 continues on the next page**



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3 (c) Explain **two** reasons why Connie might undertake market research.

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**END OF QUESTIONS**



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