

Surname		Other Names	
Centre Number		Candidate Number	
Candidate Signature			

For Examiner's Use

General Certificate of Secondary Education
June 2008

BUSINESS STUDIES SPECIFICATION B **3133/9/1F**
BUSINESS STUDIES SPECIFICATION B (SHORT COURSE)
Paper 1
Foundation Tier



F

Friday 23 May 2008 9.00 am to 10.15 am

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

Time allowed: 1 hour 15 minutes

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. 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 maximum mark for this paper is 94.
Four of these marks are for the Quality of Written Communication.
- The marks for questions are shown in brackets.
- You should use examples wherever appropriate to support your explanations or argument.
- 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 all answers.

For Examiner's Use			
Question	Mark	Question	Mark
1		9	
2		10	
3			
4			
5			
6			
7			
8			
Total (Column 1) →			
Total (Column 2) →			
Quality of Written Communication			
TOTAL			
Examiner's Initials			



J U N O 8 3 1 3 3 9 1 F 0 1

Answer **all** questions.

Read and use **Data A** to help you answer Questions 1 to 4.

Data A

Vanessa had been good at Art when she was at school. She had been involved in running a mini-enterprise as part of her Business Studies course. The business made candles. Vanessa had been surprised by the variety of different customers who placed orders with her. When she left school, Vanessa still had the candle-making equipment at home. This seemed like an ideal opportunity to get started and to achieve her ambition of running her own business.

Vanessa decided to work from home, where there was a small shed in which she could keep the equipment and process her orders. She contacted local churches and other places of worship. These customers soon started placing regular orders and this allowed her business, which she decided to call *Candles-4-all*, to make a small profit. When Vanessa had considered starting her own business, she had decided that she wanted to be a sole trader.

1 Explain **two** possible benefits to Vanessa of being a sole trader.

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(4 marks)

(Extra space)

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4



2 As the number of customers increased, Vanessa decided to set new objectives for *Candles-4-all*.

Explain **two** possible objectives that Vanessa might choose.

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(4 marks)

(Extra space)

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4

Turn over for the next question

Turn over ▶



4 Vanessa was aware that there were risks involved in running her own business and moving to a new site.

Explain **one** possible risk to and **one** possible reward for Vanessa of moving her business to the business park.

Risk

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Reward

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(6 marks)

(Extra space)

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Turn over ▶



Read and use **Data B** to help you answer Questions 5 to 7.

Data B

After three years of working from home, Vanessa did decide to expand her business. She now rents a small industrial unit at the local business park. She has continued to concentrate on supplying candles to churches and places of worship but is finding it increasingly hard to compete with cheap foreign imports. As a result of this, she is considering also producing more expensive floating and scented candles. This would allow her to target different market segments. In addition, she is also thinking about selling in Europe.



Read and use **Data C** to help you answer Questions 8 and 9.

Data C

Vanessa has just received her latest set of accounts.
A summary of these accounts is set out below.

**Profit and Loss Account
For the year ended 31 March 2008**

Sales Revenue	£120 000
Gross Profit	£40 000
Expenses	£30 400
Net Profit	£9 600

**Balance Sheet
As at 31 March 2008**

Fixed Assets	£30 000
Stock	£25 000
Debtors	£10 000
Cash	£5 000
Current Liabilities	£20 000
Capital Employed	£50 000

8 Calculate the following ratios for Vanessa’s business. You should show all your working.

8 (a) Net Profit to Sales Ratio

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(4 marks)



8 (b) Acid Test Ratio

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(4 marks)

(Extra space)

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Question 8 continues on the next page

Turn over ►



Read and use **Data D** to help you answer Question 10.

Data D

Vanessa will produce her new range of floating and scented candles using batch production. These candles will come in a variety of colours and scents. The market she is entering is very competitive. She currently has a very good reputation for the quality of her existing products. This gives her some confidence that she will be able to establish herself in this new market.



There are no questions printed on this page

**DO NOT WRITE ON THIS PAGE
ANSWER IN THE SPACES PROVIDED**

