

New Specification



StudentBounty.com

Centre Number
71

Candidate Number
[]

General Certificate of Secondary Education
2011

Business Studies

Unit 2: Business Development

[GBS21]

MONDAY 6 JUNE, MORNING



GBS21

TIME

1 hour 40 minutes.

INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number in the spaces provided at the top of this page.

Write your answers in the spaces provided in this question paper.

There should be enough extra space for your answers. If you do require more space, you may complete your answers on the extra lined pages at the back of this book.

Answer **all three** questions.

INFORMATION FOR CANDIDATES

The total mark for this paper is 90.

Figures in brackets printed down the right-hand side of pages indicate the marks awarded to each question or part question.

Quality of written communication will be assessed in questions **1(d)**, **1(e)**, **2(c)**, **2(d)**, **3(d)** and **3(g)**.

For Examiner's use only	
Question Number	Marks
1	
2	
3	

Total Marks	
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(c) The Premier Publishing Company employs several salespersons. Identify and describe the most suitable financial method of motivation for salespersons. Explain fully **one** advantage of that method.

Method _____

Description _____

Advantage _____

_____ [6]

(d) Appraisal of all employees is carried out each year in The Premier Publishing Company. Explain **three** reasons why the company has an appraisal system.

_____ [6]

Examiner Only	
Marks	Remark

(e) Describe **two** benefits and **two** drawbacks of training, from the Company’s point of view.

Handwriting lines for answer.

[8]

Table with 2 columns: Marks, Remark. Row 1: Marks, Remark.

2

“World of Wood” is a successful sawmilling company which trades both in this country and internationally.

(a) Explain **two** signs of success which you would expect to see in World of Wood.

1. _____

2. _____

_____ [4]

(b) World of Wood is planning to expand by buying another sawmill which is trading locally. Identify and describe the **type** of growth this would be for World of Wood.

_____ [5]

Examiner Only	
Marks	Remark

(c) Analyse **three** implications for World of Wood of the proposed expansion. You should analyse both positive and negative implications.

[6]

Examiner Only	
Marks	Remark

(d) Evaluate the benefits and the drawbacks of international trade for a business such as World of Wood.

[8]

Examiner Only	
Marks	Remark

[Turn over

(e) Examine how e-commerce could support World of Wood in its international business.

[8]

Examiner Only	
Marks	Remark

3

**Cash Flow Forecast for The Pastry Shop for the three months
July to September 2010**

Receipts	July	August	September
	£	£	£
Opening Balance	5500	5400	
Sales		4100	4600
Total	9700	9500	
Payments			
Rent	500	500	500
Rates	100	100	100
Advertising	400	600	800
Purchases	2300	4600	7000
Telephone	0	0	600
Wages	1000	1200	1300
Shop Fittings	0	0	2000
Total	4300		12300
Closing Balance	5400	2500	

(a) Calculate the following amounts:

Sales for July _____ [1]

Total Payments for August _____ [1]

Opening Balance for September _____ [1]

Total Receipts for September _____ [1]

Closing Balance for September _____ [1]

Examiner Only

Marks	Remark
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(b) Comment on the closing balance for September and advise the owner of The Pastry Shop on a suitable course to take.

[4]

(c) List **two** fixed costs and **two** variable costs which have been paid by The Pastry Shop during the months July to September, 2010.

Fixed Costs	Variable Costs

[4]

Examiner Only	
Marks	Remark

(d) Examine **three** reasons why cash flow is important to The Pastry Shop.

[6]

Examiner Only	
Marks	Remark

Mr Patel owns a restaurant in which his Capital Employed is £120,000. In the year ending 31 December 2010 his Net Profit was £15,000. At that date, his total Current Assets were £100,000 and his total Current Liabilities were £60,000.

(e) Complete the spaces in the following formula to calculate Mr Patel's Return on Capital Employed:

Return on Capital Employed = $\frac{\text{Net Profit}}{\text{Capital Employed}} \times 100$

Return on Capital Employed = _____ $\times 100$

Return on Capital Employed = _____ % [2]

(f) Complete the spaces in the following formula to calculate Mr Patel's Working Capital Ratio.

$$\text{Working Capital Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Working Capital Ratio = _____

Working Capital Ratio = _____ [2]

(g) Analyse the information which the two calculations above give to Mr Patel about the performance of his business in 2010.

[8]

Examiner Only	
Marks	Remark

THIS IS THE END OF THE QUESTION PAPER
