



Rewarding Learning

General Certificate of Secondary Education  
2013

Centre Number

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Candidate Number

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## Business Studies

Unit 2

Business Development

[GBS21]

ML

FRIDAY 24 MAY, MORNING

### TIME

1 hour 40 minutes, plus your additional time allowance.

### 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.

Complete in blue or black ink only. **Do not write in pencil or with a gel pen.**

There should be enough 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(e)**, **2(e)** and **3(g)**.











2

**Environmental Plastic plc** is a medium-size company which manufactures a range of plastic containers and bags. The company is based in Downpatrick.

- (a) The directors of **Environmental Plastic plc** believe that the company could achieve greater economies of scale if it became larger. Explain the term “economies of scale” and explain **one** way which **Environmental Plastic plc** might achieve economies of scale.

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[4]

Examiner Only

Marks Remark

[Turn over









(f) There are social and moral implications associated with the growth of firms such as **Environmental Plastic plc**. Analyse **one** positive and **one** negative social and moral implication of the growth of **Environmental Plastic plc**.

Positive \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Negative \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_ [4]

Examiner Only	
Marks	Remark
Total Question 2	

[Turn over

3

**Easy Connections** is a retail shop selling computers and mobile phones. The shop is owned by Lisa Williams and is managed by Jake.

(a) Jake wants to improve the shop's level of profit. What does **profit** mean?

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[2]

(b) At the beginning of the year, Jake prepared a Cash Flow Forecast for **Easy Connections**. Explain **three** reasons why a business should prepare a Cash Flow Forecast.

1. \_\_\_\_\_

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2. \_\_\_\_\_

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3. \_\_\_\_\_

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[6]

Examiner Only	
Marks	Remark





Lisa's Capital Employed in **Easy Connections** is £200,000. She received a total Net Profit of £15,000 for the year ending 31 December 2012.

- (e) Complete the spaces in the following formula to calculate Lisa's Return on Capital Employed. Show your calculations in the box provided:

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

$$\text{Return on Capital Employed} = \quad \times 100$$

$$\text{Return on Capital Employed} = \quad \%$$

[2]

Show your calculations in this box:

- (f) What does **Return on Capital Employed** mean?

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[2]

Examiner Only

Marks Remark

[Turn over











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**THIS IS THE END OF THE QUESTION PAPER**

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**DO NOT WRITE ON THIS PAGE**

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

<b>Total Marks</b>	
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Examiner Number

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