Centre No.					Pape	er Refer	ence			Surname		Initial(s)
Candidate No.			1	5	0	3		0	1	Signature		
		r Reference									Examine	r's use only

Edexcel GCSE

Business Studies

Paper 1F

Foundation Tier

Tuesday 10 June 2008 - Afternoon

Time: 2 hours

Materials required for examination	Items included with question papers
Nil	Nil

Instructions	to	Can	did	ates
IIISU UCUOIIS	เบ	Can	uiu	lates

In the boxes above, write your centre number, candidate number, your surname, initial(s) and

Check that you have the correct question paper.

Answer ALL the questions. Write your answers in the spaces provided in this question paper. Some questions must be answered with a cross in a box (\boxtimes) .

If you change your mind about an answer, put a line through the box (x) and then mark your new answer with a cross (\boxtimes) .

Do not use pencil. Use blue or black ink.

Information for Candidates

The marks for individual questions and the parts of questions are shown in round brackets: e.g. (2).

There are 5 questions in this question paper. The total mark for this paper is 105.

There are 24 pages in this question paper. Any blank pages are indicated.

There are 5 marks for the quality of written communication.

You may not use a dictionary.

You may use a calculator.

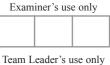
Advice to Candidates

You are reminded that you will be assessed on the quality of written communication. Remember to show all stages in any calculations and to state the units.

This publication may be reproduced only in accordance with Edexcel Limited copyright policy. ©2008 Edexcel Limited.

M31528A W850/R1503/57570 6/6/6/6/6/





Question Number	Leave Blank
1	
2	
3	
4	
5	
QWC	
Total	



Context - Caygill Group Hotels Ltd

Caygill Group Hotels Ltd (CGH Ltd) is a private limited company that owns 20 hotels in the United Kingdom. It is owned by the Caygill family with Jessica Caygill as the Managing Director. Other members of the family work in the business. These include Peter Caygill, Financial Director who is responsible for all financial matters including the final accounts, Simon Dalkin the Sales and Marketing Director, Laura Brown the Human Resources (Personnel) Director and Jenny Caygill the Administration/ICT Director.

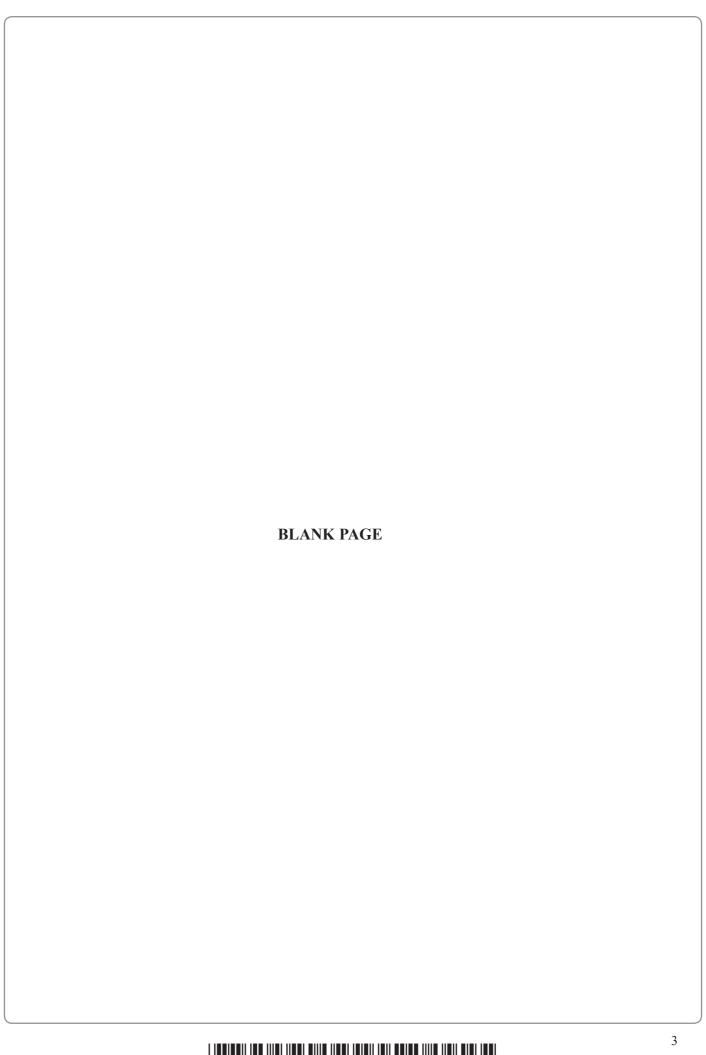
CGH Ltd hotels are near airports and in the centre of towns and cities. Their guests consist mainly of tourists or business people working in the area for short periods. Jas Hopkins is the Manager of the CGH Ltd hotel in London. This hotel, with 120 bedrooms, is typical of other hotels in the Caygill chain and employs permanent and temporary staff. Guests use the hotel facilities, which include:

- a bar and restaurant
- a fitness and leisure centre with a swimming pool
- a small business centre
- car parking.

At present, all CGH Ltd hotels are not full with guests. Simon Dalkin has carried out some research and, after consultation, the directors of CGH Ltd have come up with the following plans to increase turnover:

- employ a person to improve the Internet website which is out-of-date and basic
- review the company's current marketing strategy, in particular future promotional campaigns
- improve the quality of service offered by all staff at CGH Ltd
- set up a membership scheme for people not staying at CGH Ltd hotels to use the hotels' fitness and leisure centre facilities.







Answer ALL questions.

For each question, choose an answer A, B C or D and put a cross in the box. Mark only one answer for each question. If you change your mind, put a line through the box and then mark your new answer with a cross.

e.g: Mark the box like this:	If you change your mind, mark the boxes like this:
	■ A This shows your final answer
☑ C This shows your answer	₩ C First answer
⊠ D	■ D
1. (a) (i) One of the four Ps in the	e marketing mix is
A profit	
B price	
C payment	
D production	
(ii) A current liability is	
■ B stock	
C cash	
D debtors	
(iii) When a hotel manager as is known as	sks an employee to carry out a task on his/her behalf, this

recruitment

marketing

selection

delegation

 \mathbf{A}

B

 \mathbf{K} C

 \boxtimes **D**

	Leave blank	
(iv) Money coming in and going out of a business is		
■ A a dividend		

 \mathbf{X} **B** cash flow \boxtimes C profit

 \bowtie D a mortgage

 \mathbf{X} A

(v) Assets and liabilities are shown in a

 \mathbf{X} A profit and loss account

 \boxtimes B breakeven chart

balance sheet

 \square D budget

(5)



Leave blank (b) (i) Name a fixed asset. **(1)** (ii) What is an import? **(1)** (iii) Define the term 'span of control'. **(1)** (iv) Identify ONE method of advertising. **(1)** (v) What is meant by a competitor? **(1)**

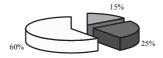
Answer the questions using the charts below.

CGH Ltd's London hotel – Guest Percentages 2007

CGH Ltd's London hotel – Guest Percentages 2006



Overseas guests
UK guests
Business guests



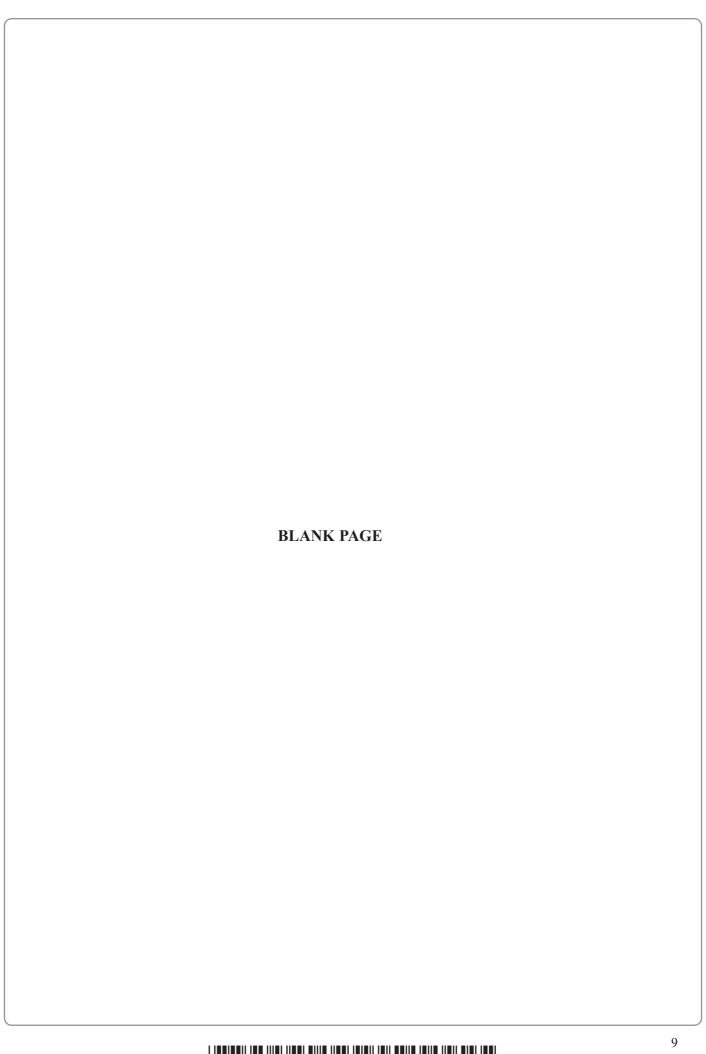
Overseas guests
UK guests
Business guests

(c)	(i)	Which year had the smaller percentage of business guests?
		(1)
	(ii)	Which group had 15% of guests?
		(1)
	(iii)	Calculate the total percentage of overseas and UK guests in 2007.
		(1)
	(iv)	Identify THREE factors that might account for the decrease in the percentage of UK guests in 2007.
		(3)



7

	(d) Discuss the advantages to businesses of having an Internet website.			
(4)		(d)	Discuss the advantages to businesses of having an Internet website.	
(4)				
(4)				
(4)				
(4)				
(4)				
(4)				
(4)				
(4)				
(4)				
(4)				
	(Total 20 marks)		(4)	Q1
(Total 20 marks)				
			(Total 20 marks)	
			(Total 20 marks)	
			(Total 20 marks)	
			(Total 20 marks)	
			(Total 20 marks)	
			(Total 20 marks)	
			(Total 20 marks)	
			(Total 20 marks)	
			(Total 20 marks)	
			(Total 20 marks)	
			(Total 20 marks)	
			(Total 20 marks)	





(a) (i)	Identify TWO other influences on the location of a business.
		(2
(CGI	H Ltd's hotels are near airports and in the centre of towns and cities.
((ii)	Why do you think CGH Ltd has its hotels near airports and in towns and cities?
		(4
CGH	Lte	d is a private limited company owned by the Caygill family.
(b) ((i)	What is the term given to the owners of a private limited company?
		(1
((ii)	Analyse ONE advantage to the Caygill family of being a private limite company.

	Explain TWO reasons why Jas gets job applicants to complete an application form.
	(6)
i)	How would you advise someone to prepare for an interview with Jas?



11

(a) (i)	Cive TWO evenueles of secondary research Cive with the second
a) (1)	Give TWO examples of secondary research Simon might have used.
	(2
(ii)	Explain ONE advantage and ONE disadvantage to CGH Ltd of secondar
	research.

(b) (i)	Using the context, show what is meant by a 'target audience'.
	(2)
(ii)	Explain TWO suitable methods of advertising that CGH Ltd might use, other
(11)	than the Internet.



13

	Leave blank
(iii) Discuss why your chosen methods of advertising might be best for CGH Ltd.	Ottank
(6)	Q3
(Total 20 marks)	





n 01/

Leave blank 4. CGH Ltd has a reputation for offering a quality service. The directors of CGH Ltd realise the importance of offering this service to customers. (a) (i) State what is meant by a 'quality service'. **(2)** (ii) Suggest why it is important to offer a quality service to customers.

(6)

Leave blank As businesses like CGH Ltd expand, they start to benefit from economies of scale. (b) (i) How might TWO economies of scale benefit CGH Ltd? **(6)**



17

(ii) How might TWO diseconomies of scale affect	CGH Ltd?
	(6
	(Total 20 marks



5. One of the roles of Peter Caygill is to prepare CGH Ltd's final accounts. Part of the Trading and Profit and Loss Account is shown below.

	2007	2006
	${\mathfrak L}$	£
Sales revenue	2 035 900	2 144 100
Cost of sales	487 180	471 702
Gross profit	1 548 720	1 672 398
Expenses/overheads	1 099 592	1 120 507
Net profit	449 128	551 891

(Net profit ratio = $\frac{\text{Net profit}}{\text{Sales}} \times 100$)

(a)	(1)	Calculate the net profit ratio for both years.	

•••••	•••••	•••••	

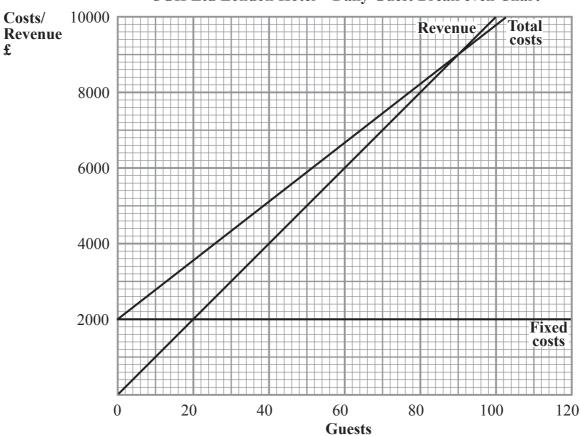
(ii) Using the above information and your calculations, assess CGH Ltd's performance

III 2000 agailis		

(8)

Jas Hopkins, the hotel manager, needs to know the minimum number of guests staying each day in order to cover total costs. He uses a break even chart to do this.

CGH Ltd London Hotel - Daily Guest Break even Chart



b)	(i)	On the above chart, label the break even point.	
			(1)
	(ii)	How many guests does CGH Ltd need to break even?	
			(1)
	(iii)) What is the revenue at the break even point?	
			(1)

21

(iv) D	iscuss the benefits of using break even.
••	
	(7)
	(Total 20 marks)
	Quality of Written Communication: 5 marks
	TOTAL FOR PAPER: 105 MARKS
	TOTAL FOR PAPER: 105 MARKS END

Leave





