

Candidate Name	Centre Number	Candidate Number
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GCSE

4080/01

BUSINESS STUDIES

P.M. FRIDAY, 27 May 2011

2 hours

ADDITIONAL MATERIALS

Calculators may be used.

INSTRUCTIONS TO CANDIDATES

Use black ink or black ball-point pen.

Write your name, centre number and candidate number in the spaces at the top of this page.

Answer **all** the questions.

Write your answers to all the questions in the spaces provided in this question-and-answer booklet.

INFORMATION FOR CANDIDATES

The number of marks is given in brackets at the end of each question or part-question.

You are reminded that assessment will take into account the quality of written communication used in your answers to questions 7(*d*) and 10(*d*).





For Examiner's use only		
Question	Maximum mark	Mark awarded
1.	2	
2.	2	
3.	2	
4.	4	
5.	4	
6.	6	
7.	20	
8.	20	
9.	20	
10.	20	
Total	100	

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

1. Which **two** of the following apply to partnerships?

[2]

Tick **two** boxes only.

 <p>They are owned by shareholders</p>		 <p>They are owned by one person</p>	
 <p>Owners may sign a Deed of Partnership</p>		 <p>There must be at least two owners</p>	

Total mark

/2

2. Fred is paid £8 per hour and works a 40 hour week. His deductions are income tax and National Insurance Contributions which amount to £60 per week.

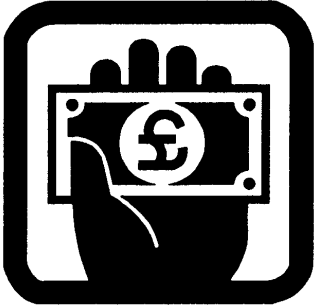
(a) What is Fred's net pay per week? [1]

Tick one box only.

	£380	
	£320	
	£260	

(b) National Insurance is an example of which type of deduction from pay? [1]

Tick one box only.





	Statutory deduction	
	Voluntary deduction	
	Charitable donation	

Total mark /2

3. Which **two** of the following are most likely to be **multinational** businesses?

[2]

*Tick **two** boxes only.*

<p>Mobile phone manufacturer</p> 		<p>Oil refining company</p> 	
<p>Shoe repairer</p> 		<p>A national chain of electrical stores</p> 	

Total mark

 /2

4. Below are a number of terms and phrases used in business.

[2]

CO-OPERATIVE	FRANCHISEE	SOLE TRADER
FIXED COSTS	?	NET PROFIT
GROSS PROFIT	FRANCHISOR	VARIABLE COST

Which of the above best describes **each** of the following:

(a) a business which allows others to use its name in return for royalty payments; [1]

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(b) profit left after expenses have been deducted; [1]

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(c) costs which do not change with the number of goods made or sold; [1]

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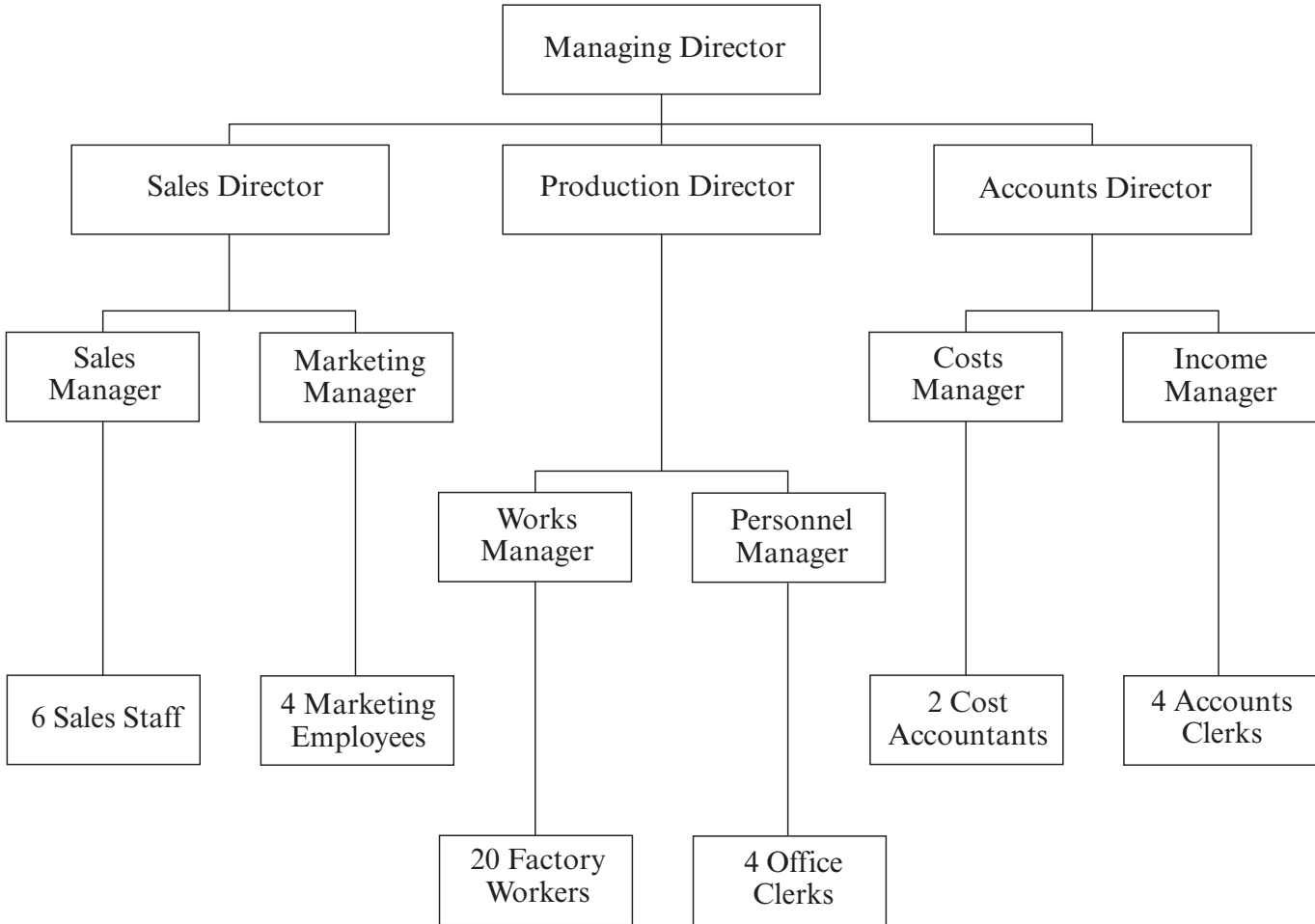
(d) a business which is owned by its customers? [1]

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Total mark 4

- 5. Below is an organisation chart for Autotronics Ltd. This is a company which produces parts for cars in its factory in south west Wales.

ORGANISATION CHART FOR AUTOTRONICS LTD



Use the chart to answer the following questions.

- (a) Which person on this chart is responsible for the whole business? [1]

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- (b) Who do the Sales Staff first report to when there is a problem? [1]

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- (c) Which director is responsible for marketing the products? [1]

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- (d) What is the span of control of the Production Director of Autotronics Ltd? [1]

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6. Businesses can be affected by factors over which they have no control.

Explain how **each** of the following might affect businesses in the United Kingdom (UK):

(a) an increase in income tax; [2]

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(b) a very heavy fall of snow across all of the UK; [2]

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(c) a fall in the value of the pound against the euro. [2]

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Total Mark /6

7. Gallops is a business selling horse riding equipment in a small shop in a mid Wales town. It is owned by Sam Fudge and Mary Matthews.

(a) Suggest and explain **two** advantages to Sam and Mary of being in a business partnership. [4]

(i)

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(ii)

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Market research shows that 4.3 million people in the United Kingdom enjoy horse riding. With so many people taking part in the activity, Sam and Mary are thinking of expanding their business by buying and equipping the shop next door.



(b) Suggest and describe **two** types of market research Sam and Mary could use to find out if they should expand their business. [4]

(i)

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(ii)

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8. Jo Downs Handmade Glass Ltd is a manufacturer of glass jewellery and mirrors. Some of its goods are designed and produced to meet the needs of individual customers. The business also produces larger quantities of popular designs to sell in its own shops.



The business was established in 1999 by artist Jo Downs. Manufacturing is now based in Cornwall and the company employs more than thirty people in its factory and shops.

(a) Which method of production - job, batch or flow - is likely to be used by Jo Downs Handmade Glass Ltd to meet the needs of individual customers? Explain your answer. [2]

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(b) Suggest **one** advantage and **one** disadvantage to customers of buying individually designed and produced jewellery and mirrors. [2]

Advantage

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Disadvantage

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The business sells many of its products in its own small shops.

(c) Suggest and explain **one** benefit and **one** problem the business has from owning its own shops rather than selling through shops owned by other businesses. [4]

Benefit

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Problem

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Jo Downs Handmade Glass Ltd recently set up another shop in a new location.

(d) Suggest and explain **two** factors the business would have considered when trying to find a suitable site for this shop. [4]

(i)

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(ii)

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Jo Downs Handmade Glass Ltd sells some of its goods abroad.

(e) Should Jo Downs Handmade Glass Ltd try to sell more of its goods abroad? Justify your answer. [8]

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Total Mark /20

Turn over.

9. Greggs plc is a leading bakery retailer serving 5 million customers per week. The business sells bread, cakes and savoury products such as pies, sandwiches and pasties through its 1400 shops. The business was started as a family bakery in the north east of England in the 1930s by John Gregg. It grew and spread throughout the UK and in 1984 Greggs became a public limited company (plc).

(a) Explain **one** advantage and **one** disadvantage to Greggs of becoming a public limited company. [4]

Advantage

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Disadvantage

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Below are the Balance Sheets for Greggs plc for 2009 and 2008.

GREGGS PLC BALANCE SHEETS AS AT JUNE 2009 AND 2008

	June 2009 £m	June 2008 £m
Fixed Assets	208	198
Current Assets		
Stocks	12	11
Debtors	25	23
Cash	15	8
Total Current Assets	52	42
Total Assets	240	240
Current Liabilities	81	84
Long Term Liabilities	33	16
Total Liabilities	114	100
Total Net Assets	146	140
Total Capital Employed	146	140

(b) Complete the shaded areas in the balance sheet. [2]

(c) What is meant by the term Fixed Assets? [2]

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(d) Why are the balance sheets shown useful to the shareholders of Greggs plc? [4]

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Greggs plc has adopted a number of environmental and ethical policies. These include donating unsold food to charities for low income families, selling fair trade products, reducing packaging for products, cutting food waste and reducing the amount of energy used in production.

- (e) Discuss the advantages **and** disadvantages to businesses, such as Greggs plc, of adopting environmental and ethical policies. [8]

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Total Mark /20

10. In October 2009, 12 000 postal workers employed by the Royal Mail went on strike in protest against the increased use of technology and because of new working practices e.g. reducing the number of rounds covered by postmen and making the remaining rounds longer. Many postmen found that they could not finish their rounds in time.

(a) Suggest and explain how the new technology and new working practices might affect (i) the workers **and** (ii) the customers as stakeholders of the Royal Mail. [4]

(i) The workers
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(ii) The customers
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(b) Describe how the strike might have damaged the Royal Mail's business. [4]

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During the dispute, postmen were represented by the Communication Workers Union.

(c) Apart from going on strike, outline **one** other form of industrial action trade unions can take. [2]

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(d) Evaluate ways in which the Royal Mail could improve the performance of its workers. [10]

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Total Mark /20