## GCSE

4080/01

## BUSINESS STUDIES

A.M. FRIDAY, 5 June 2015

2 hours plus your additional time allowance

## Surname

Other Names $\qquad$

Centre Number

Candidate Number 0

| For Examiner's use only |  |  |
| :---: | :---: | :---: |
| Question | Maximum <br> Mark | Mark <br> Awarded |
| 1. | 2 |  |
| 2. | 2 |  |
| 3. | 4 |  |
| 4. | 4 |  |
| 5. | 3 |  |
| 6. | 2 |  |
| 7. | 3 |  |
| 8. | 20 |  |
| 9. | 20 |  |
| 10. | 20 |  |
| 11. | 20 |  |
| Total | 100 |  |

## ADDITIONAL MATERIALS

Calculators may be used.

## INSTRUCTIONS TO CANDIDATES

Use black ink, black ball-point pen or your usual method.

Write your name, centre number and candidate number in the spaces provided on the front cover.

Answer ALL questions.
Write your answers in the spaces provided in this question-and-answer booklet.

If you run out of space, use the continuation pages at the back of the booklet, taking care to number the question(s) correctly.

## 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 10(e) and 11(d).

## 5

Answer ALL the questions in the spaces provided.

1. Which TWO of the following are methods of field research? [2]

## Tick TWO boxes only.



Looking at Government statistics

2. Which TWO of the following are examples of statutory deductions from pay? [2]

## Tick TWO boxes only.

| Charity Donation |  |
| :--- | :--- |
| Council Tax |  |
| Income Tax |  |
| National Insurance Contribution |  |
| Payment for a Private Pension |  |
| Trade Union Membership Subscription |  |

## 7

3. In the United Kingdom workers generally produce goods or provide services.
(a) What is meant by the term 'services'? Give ONE example of a service. [2]

## 8

Goods can be classified into consumer goods and producer (capital) goods.

3(b) State what is meant by: [2]
(i) Consumer goods
(ii) Producer (capital) goods

REVENUE / COST (£)

4. Opposite is a break even chart for Breakstone Ltd. Study the chart to answer the questions which follow.
(a) How many goods must Breakstone Ltd sell to break even? [1]
(b) What is the amount of money Breakstone Ltd has taken in when it breaks even? [1]
(c) How much profit will Breakstone Ltd make if it sells 800 goods? [2]

| GENDER | AGE | NUMBER OF PEOPLE |
| :--- | :---: | :---: |
| Males | 20 and under | 200000 |
|  | 21 to 40 | 400000 |
|  | 41 to 64 | 100000 |
| Females | 20 and under | 50000 |
|  | 21 to 40 | 200000 |
|  | 41 to 64 | 300000 |
|  | 65 and over | 100000 |
|  | 50000 |  |

5. The table opposite shows the estimated number of people who will apply to join a social media website aimed at cyclists.

Study the table and answer the questions which follow.
(a) According to the table, which market segment is most likely to join the website? [1]
(b) Apart from gender and age, how might the providers of the cycling website segment the market? [2]

## 11

6. Some very large supermarkets use a variety of methods in an attempt to pay as low a price as possible to the many small businesses which sell them food products. Although this practice may be legal, it is considered by some to be unethical.

Explain why the methods used by some supermarkets might be considered to be unethical. [2]
7. The list below shows a number of terms and phrases used in business.

ENVIRONMENTAL LAWS
INFLATION
COPYRIGHT
RECESSION
COPYRIGHT
DEMOCRATIC LEADERSHIP

Which of the above best describes EACH of the following? [3]
(a) a legal situation in which people cannot gain from the work of others;
(b) a situation where the general price level is rising;
(c) a form of management where the owners of a business consult with their workers.
8. Judith Rutherford has just been made redundant from a local business producing window blinds. She had learned many skills both in the factory and in the office. In her locality there are fairly high levels of unemployment so her chances of finding another job are limited. Judith has decided to set up her own business, as a sole trader, producing and selling curtains and blinds.

Judith could be described as an entrepreneur.
(a) Outline what is meant by the term 'entrepreneur'.
$14$

Judith has to deal with a number of stakeholders in her business.

8(b) Suggest TWO stakeholders Judith might have. How would Judith's business be affected by each stakeholder? [4]

Stakeholder 1 $\qquad$

## Effect on business

## 8(b) Stakeholder 2

Effect on business

Judith is considering taking on a business partner.

8(c) Advise her on whether or not taking on a business partner would be a good idea for her and the business. [8]

8(d) Apart from taking on a business partner, suggest TWO sources of finance Judith might use in her business. In EACH case, give a reason for your choice. [4]

Source 1 $\qquad$

Reason $\qquad$
$\qquad$
$\qquad$
$\qquad$
$\qquad$

Source 2

Reason

## Packaging Firm Has It All Wrapped Up

Titewrap Ltd has been producing packaging material for the food industry for more than twenty years.
Orders from a major supermarket have meant that Titewrap Ltd plan to expand their factory. They also intend to develop new production methods and to reorganise various departments within the business.

The Managing Director of Titewrap Ltd, Mrs Sheila Adams says "The company wants to take advantage of the orders to fully develop and re-organise the business from management level to the factory floor. Consultation with the workers is all important to ensure that we take full advantage of the expansion".
9. Read the newspaper article opposite and answer the questions which follow.

Mrs Adams has said that consultation with the workers is all important.
(a) Suggest TWO methods of internal communication which Titewrap Ltd could use to consult the workers. [2]
(i)
(ii)

9(b) What is the importance to Titewrap Ltd of having an organisation chart? [2]

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With the growth in the business, Titewrap Ltd needs to re-organise its Accounts (Finance) Department.

9(c) State TWO functions of the Accounts (Finance) Department. [2]
(i)
(ii)

## 23

The expanded factory will require workers who will need to be trained.

9(d) Why is training important to businesses such as Titewrap Ltd? [2]

## 24

9(e) Explain what is meant by EACH of the following terms.
(i) Induction training [2]

## 25

## 9(e) (ii) On the job training [2]

The Production Department is responsible for ordering stock. At present the company is buying materials in bulk and storing these in a warehouse rented from a neighbouring business. The Board of Directors is considering using the Just-in-Time (JIT) method of buying materials in order to reduce the amount of stock being held.

9(f) Advise the Directors as to whether they should continue using their current method of buying materials or whether they should adopt JIT. [8]
$27$
10. Agristore plc produces garden sheds and greenhouses. Some are produced using designs provided by individual customers and some are manufactured to standard designs and sizes. The standard products are sold by garden centres.
(a) Explaining your answers, suggest which method of production Agristore plc could use for making garden sheds and greenhouses for (i) individual customers and (ii) garden centres.
(i) individual customers [2]

## 29

10(a) (ii) garden centres [2]

| PROFIT AND LOSS FIGURES 2012-2014 |  |  |  |
| :--- | :---: | :---: | :---: |
|  | 2012 | 2013 | 2014 |
| Sales | $£ 4000000$ | $£ 4500000$ | $£ 5000000$ |
| Cost of Sales | $£ 2800000$ | $£ 3000000$ | $£ 3000000$ |
| Gross Profit | $£ 1200000$ | $£ 1500000$ | $£ 2000000$ |
| Gross Percentage <br> Profit | $30 \%$ | $33 \%$ | $40 \%$ |
| Rent | $£ 40000$ | $£ 44000$ | $£ 50000$ |
| Business Rate | $£ 30000$ | $£ 33000$ | $£ 40000$ |
| Wages | $£ 300000$ | $£ 400000$ | $£ 450000$ |
| Interest on Loan | $£ 10000$ | $£ 10000$ | $£ 10000$ |
| Other Expenses | $£ 20000$ | $£ 68000$ | $£ 200000$ |
| Total Expenses | $£ 400000$ | $£ 555000$ | $?$ |
| Net Profit | $£ 800000$ | $£ 945000$ | $?$ |
| Net Percentage <br> Profit | $20 \%$ | $21 \%$ | $25 \%$ |

Agristore plc's accountant has drawn up the financial information for the business as shown opposite.

10(b) Give ONE example of what might have been included as OTHER EXPENSES. [1]
(c) Calculate the Net Profit for 2014. [2]

10(d) Explain what has happened to Net Percentage Profit between 2012 and 2014. [3]

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Agristore plc would like to increase its sales to both individual customers and at garden centres. To do this, the Directors have decided to begin an advertising campaign. They cannot decide whether to spend most of their advertising budget on newspapers or on television.

10(e) Should Agristore plc spend most of its advertising budget on newspaper or on television advertising? Justify your answer. [10 QWC]
$33$
11. Pizazz is a new business in the fast food industry. It has been in business for almost one year. Pizazz has one outlet selling a variety of products from burgers to pizzas.
(a) Suggest and explain TWO ways in which the owners of Pizazz could measure the success of the business at the end of the second year.
(i)

35
11(a) (ii)

| COMPARISON IN CHEESEBURGER PRICES |  |  |  |  |  |  |  |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| JANUARY TO JULY |  |  |  |  |  |  |  |
| Business | Jan | Feb | Mar | Apr | May | Jun | Jul |
| Pizazz | $£ 2.00$ | $£ 2.20$ | $£ 2.20$ | $£ 2.40$ | $£ 2.40$ | $£ 2.40$ | $£ 2.00$ |
| Great <br> Burger | $£ 1.99$ | $£ 1.99$ | $£ 1.99$ | $£ 1.99$ | $£ 1.99$ | $£ 1.99$ | $£ 1.99$ |
| Hot <br> Doggedy | $£ 3.00$ | $£ 3.00$ | $£ 3.00$ | $£ 3.00$ | $£ 3.00$ | $£ 3.00$ | $£ 3.00$ |


#### Abstract

Pizazz keeps a careful watch on the prices charged by its competitors. Some months after opening the owners drew up the table opposite showing the daily average prices charged for cheeseburgers in the town centre in which they operate.


11(b) Which business shows evidence of psychological pricing? Give a reason for your answer. [2]

Business $\qquad$

Reason $\qquad$

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11(c) Hot Doggedy charges higher prices than the others. Explain ONE reason why it might charge higher prices. [2]

11(d) Assess the likely impact on the local community and its environment of having fast food outlets in the town centre. [10 QWC]
$\qquad$
$\qquad$

END OF PAPER

## 41

| Question | Additional page, if required. |
| :---: | :---: |
| number | Write the question numbers in the left-hand margin. |

42

| Question | Additional page, if required. |
| :---: | :---: |
| number | Write the question numbers in the left-hand margin. |


| Question | Additional page, if required. |
| :---: | :---: |
| number | Write the question numbers in the left-hand margin. |

44

| Question | Additional page, if required. |
| :---: | :---: |
| number | Write the question numbers in the left-hand margin. |

