

Please write clearly, in block capitals.

Centre number

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Candidate number

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Surname

Forename(s)

Candidate signature

GCSE BUSINESS

Paper 1

Specimen 2016

Morning

Time allowed: 1 hour 45 minutes

Materials

For this paper you must have:

- a calculator.

Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions.
- You must answer the questions in the spaces provided. Do not write outside the box, around each page or on blank pages.
- Do all rough work in this answer book. Cross through any work you do not want to be marked.

Advice

- The marks for each question are shown in brackets.
 - The maximum mark for this paper is 90.
-

Section A

Answer **all** questions in the spaces provided

For questions with four responses only **one** answer per question is allowed.


For each answer completely fill in the circle alongside the appropriate answer.


CORRECT METHOD



WRONG METHODS



If you want to change your answer you must cross out your original answer as shown. 

If you wish to return to an answer previously crossed out, ring the answer you now wish to select as shown. 

0 1 . **1** Which of these businesses provides a service to customers?

- A** Bicycle manufacturer
- B** Dry cleaner
- C** House builder
- D** Pig farmer

[1 mark]

0 1 . **2** Why might a sole trader choose to take a partner into the business?

- A** So that he can give a job to a friend
- B** So that shares can be sold
- C** So that the profits will be shared with someone else
- D** So that there will be additional skills and expertise

[1 mark]

0 1 . 3

Which of these is a benefit of an effective recruitment and selection process?

A Fringe benefits

B Person specification

C Staff retention

D Training off the job

[1 mark]

0 1 . 4

Which type of production is used by a baker who specialises in personalised children's birthday cakes?

A Flow

B Job

C Just-in-case

D Just-in-time

[1 mark]

Question 1 continues on the next page

0 1 . **5** Which of these statements describes Total Quality Management (TQM)?

- A A system which looks at the quality of finance in the business
- B The managers each look after their own department's work
- C The system uses quality managers to monitor what the employees produce
- D Workers are all responsible for the excellence of the business's output

[1 mark]

0 1 . **6** Which of these people would be most likely to work in the procurement department of a clothes manufacturer?

- A Buyer
- B Customer service adviser
- C Delivery driver
- D Machinist

[1 mark]

0 1 . **7** Identify **two** methods of external growth that a business could choose.

[2 marks]

0 1 . 8

Explain how communication could be easier in a flat organisational structure rather than in a tall organisational structure.

[2 marks]

0 1 . 9

Explain **one** benefit to a business of using part-time staff.

[3 marks]

0 1 . 10

Explain **one** benefit of providing induction training for employees.

[3 marks]

0 1 . **11**

Explain **two** benefits to a business of ensuring the protection of their employees' health and safety.

[4 marks]

Benefit 1

Benefit 2

End of Section A

Turn over for Section B

Section BAnswer **all** questions in the spaces provided**0 2****Item A: Krispy Kreme**

Krispy Kreme opened its first UK store in 2003 in London. The business sells doughnuts containing responsibly sourced ingredients in their stores, coffee shops, kiosks and cabinets in Tesco. Doughnuts can also be ordered online.

Krispy Kreme received planning permission from Glasgow City Council before converting a historic Glasgow building into their newest store. The store took £60 000 on its first day (three times Krispy Kreme's previous record). Some customers travelled hundreds of miles. There were traffic queues on local routes for much of the first week.

The business supports the communities in which it operates. A policy of recruiting the long-term unemployed has worked really well.

In January 2015 Krispy Kreme relaunched their coffee products because Krispy Kreme aims to operate ethically. The coffee is sourced from Rainforest Alliance Certified™ farms in South America that are managed in a way that looks after the land and protects the planet. This coffee costs 20% more than coffees that do not carry the Rainforest Alliance seal.

Krispy Kreme sell their coffee at £1.90 per cup. Research shows that some coffee shop customers are willing to pay more for ethically produced coffee and that most of these customers expect to pay around 10% more for this type of coffee.

0 2**1**Identify **two** drawbacks to Krispy Kreme of using responsibly sourced ingredients.**[2 marks]**

Question 2 continues on the next page

0 2 . 2

Employees receive 20% discount off coffee. **Figure 1** shows the number of coffees bought by employees last week.

Figure 1

	Number of coffees	Discount received
Sarah	2	
Robert	5	
Ali	4	
	Total cost to store	

Using **Item A**, complete **Figure 1** to show how much discount each employee received and the total cost to the store of discounts last week.

[3 marks]

Workings _____

0 2 . 3

Identify **two** stakeholders of a business.

[2 marks]

0 2 . **4**

Analyse **one** way in which a stakeholder of Krispy Kreme may be affected by the opening of a new store.

[6 marks]

Question 2 continues on the next page

Item B: Krispy Kreme

Since opening in 2003 Krispy Kreme has expanded steadily in the UK. There are now 45 stores and coffee shops with another 35 planned for the next few years. Quality is an important part of Krispy Kreme’s business as all doughnuts have to be made with quality ingredients to the original secret recipe from America.

To ensure perfection every doughnut is made in one of only 13 larger stores. They are then delivered to local outlets. To make sure they are fresh each doughnut has a shelf life of only one day.

All new employees follow an induction programme. This covers understanding the importance of quality and health & safety procedures. Krispy Kreme aims to keep the top hygiene rating of 5 at all its stores.

Krispy Kreme wants staff to enjoy their work and take pride in their job. Employees focus on:

- being passionate about their work, and believing in the quality products
- demonstrating initiative, creativity and problem-solving skills.

Incentive schemes and a national annual awards ceremony are organised to celebrate successes.

There are formal training sessions as well as support from line managers, peers and trainers. Additionally, Skills Workshops and Talent Workshops offer support for those keen to further their careers. There are many career opportunities and internal promotions are frequent. Krispy Kreme is proud that over 60% of senior positions are recruited internally.

A Krispy Kreme app is available to customers in the USA. Other major coffee shop chains in the UK have apps for customers to use that include a store locator, offers, loyalty bonuses and menus. App developers have quoted £30 000–40 000 to create an app.

0 2 . 5

Analyse the effect that the growth of Krispy Kreme may have on maintaining the quality of their doughnuts.

[6 marks]

0 2 . **6** Analyse the impact of the use of motivational techniques at Krispy Kreme.

[6 marks]

0 2 . **7**

Recommend whether Krispy Kreme should invest in the development of an app for UK customers. Give reasons for your advice.

[9 marks]

End of Section B
Turn over for Section C

Section C

Answer **all** questions in this section.

0 3

Item C – Park Designs Ltd (PDL)

Park Designs Ltd (PDL) is a family business that makes high quality wooden furniture to order. The Park family owns all the shares.

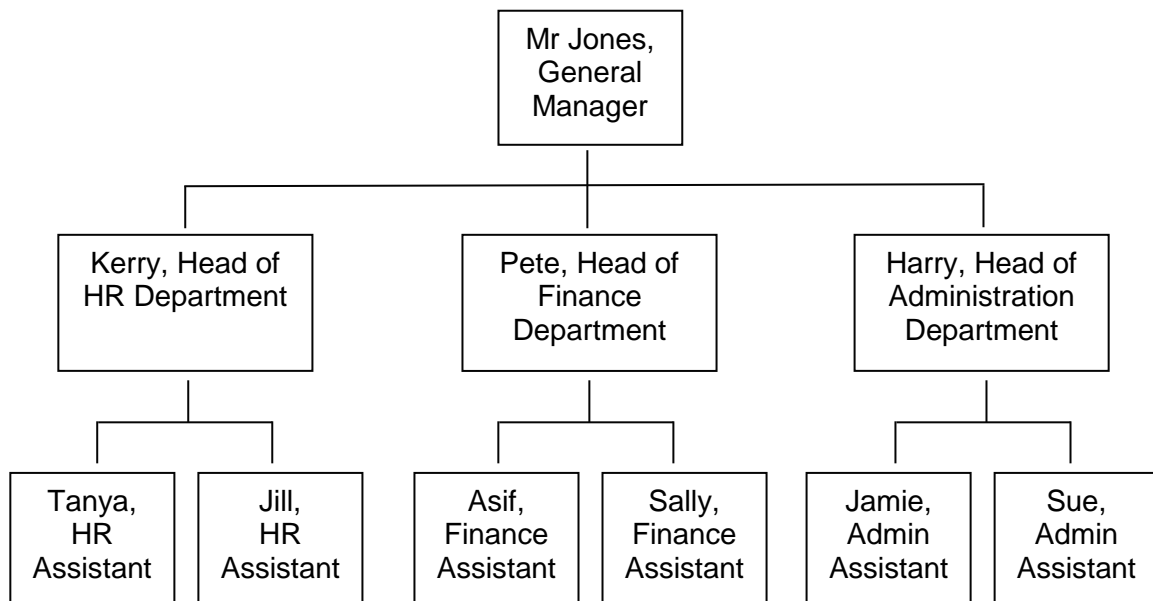
As part of its commitment to training, PDL run an annual team building day for all 72 employees which is good for staff motivation. The factory is closed for the day and the staff go off-site for the day. Group challenges are run which help develop team skills and improve communication.

“I loved the team building day, we had great fun and it was better than being at work for the day. However I am not sure how useful it was to my job in the admin department?” Sue, Admin department.

The production manager will retire soon. Like him, many of the production staff have worked at PDL for many years. They enjoy their work and most stay until they retire. Consequently, there are several possible candidates to take over as production manager, but none have management experience.

Customer reviews say that the furniture is made to a very high standard, however, they also suggest that the administration staff do not always deliver a good service. Complaints show that order processing is not always accurate. Recently, some customers have asked about the negative reviews when enquiring about possible purchases.

Figure 2: Organisation chart



0 3 . 1

Using an example from the organisation chart of the staff at PDL, explain how PDL could use delegation.

[2 marks]

0 3 . 2

Explain **one** benefit to the owners of PDL being a private limited company.

[4 marks]

Question 3 continues on the next page

0 3 . 3

PDL is considering promoting an employee from within the factory to the position of production manager. Explain a benefit to PDL of using this method of recruitment.

[4 marks]

03 . **4**

A £9000 budget has been set aside for the team building day. The team building day will cost £65 per delegate.

Other costs include

- Set up fee £750.75
- Coach Hire £459.50

State the formula for calculating total costs. Calculate the percentage of the budget remaining after the team building day. Show your workings and answer to **two** decimal places.

[5 marks]

Formula

Workings

Question 3 continues on the next page

03 . 5

PDL set an overall training budget of £30 000 and allocated £9 000 for this year's team building day. Recommend whether they should spend £9 000 on the team building day again next year. Give reasons for your answer.

[9 marks]

Question 3 continues on the next page

Item D – Park Designs Ltd (PDL)

Park Designs Ltd (PDL) have built a good reputation for high quality traditionally styled furniture made to exact customer specification by skilled craftsmen. Each worker is responsible for making an order from start to finish. The workers enjoy their work and are paid high wages. There are very few other local employment opportunities for skilled woodwork craftsmen.

The design team has been developing a range of more modern designs to be made to order and delivered in 4 weeks. The directors of PDL believe that this will help them to compete with larger firms that produce modern furniture that sells at a low price but is of a lower quality.

The factory is relatively small for the 40 furniture makers and space is limited. Similarly, there is little space for the storage of stock and finished furniture.

PDL has had many orders for their new modern designs, but finds it difficult to know when these orders will be placed by customers. Sometimes customers have to wait 12 weeks for their delivery. The directors have noticed that many of the new pieces of furniture ordered are very similar. It is only the finishing touches that make each order unique to each customer.

The directors of PDL are considering changing to flow production for future orders. The skilled craftsmen will need training to use the new machinery and will be responsible for small parts of the production process.

0 3 . 6

Analyse the impact of changing from job production to flow production. In your answer you should consider:

- The suitability of flow production
- Staff motivation.

You must evaluate which area will have the biggest impact on the business. Use evidence to support your answer.

[12 marks]

END OF QUESTIONS

There are no questions printed on this page

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