

Surname	Centre Number	Candidate Number
First name(s)		2



## GCE AS/A LEVEL

2510U10-1



S24-2510U10-1

**FRIDAY, 17 MAY 2024 – MORNING**

### **BUSINESS – AS unit 1 Business Opportunities**

1 hour 15 minutes

For Examiner's use only		
Question	Maximum Mark	Mark Awarded
1(a)	2	
1(b)	4	
1(c)	4	
2(a)	2	
2(b) (i)	1	
2(b) (ii)	2	
2(c)	6	
3(a)	2	
3(b)	3	
4	10	
5(a)	4	
5(b)	4	
5(c)	3	
5(d) (i)	3	
5(d) (ii)	1	
5(d) (iii)	1	
5(e)	8	
<b>Total</b>	<b>60</b>	

#### **ADDITIONAL MATERIALS**

In addition to this examination paper, you will need:

- a ruler
- a calculator.

#### **INSTRUCTIONS TO CANDIDATES**

Use black ink or black ball-point pen. Do not use gel pen or correction fluid.

You may use a pencil for graphs and diagrams only.

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

Answer **all** the questions.

Additional space is provided for some questions within the booklet (if required). If further space is required for any question, you should use the lined page(s) at the end of this booklet. The question number(s) should be clearly shown.

#### **INFORMATION FOR CANDIDATES**

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

You are reminded of the need for good English and orderly, clear presentation in your answers.



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

**1. Time for Tea**

All businesses operate in a market. Time for Tea operates in the retail market selling tea imported from around the world. When established in 2018, Time for Tea decided to locate its shop in a small premises just off the high street in a town centre. It is the only specialised tea shop in the town, although there are numerous supermarkets that sell a wide range of branded tea.

(a) Outline what is meant by the term market. [2]

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(b) Identify and describe **two** factors that Time for Tea would have considered when locating its business. [4]

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Time for Tea understood the importance of creating a business plan when starting the business.

(c) Explain **two** key components of a business plan.

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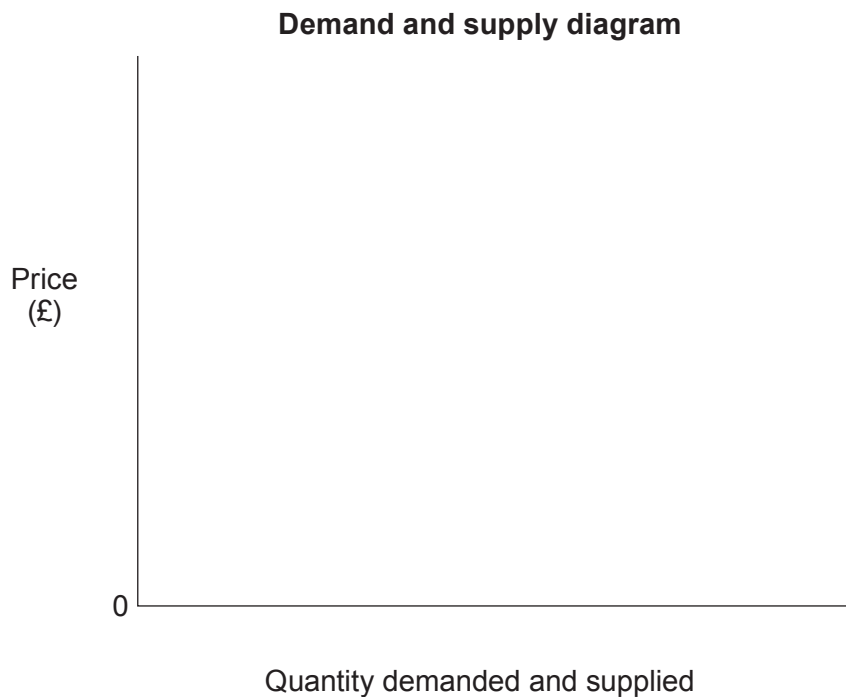
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**2. Demand and supply**

- (a) Complete the diagram below by drawing and labelling a demand curve and a supply curve. [2]



In recent years, UK strawberry farms have increased their investment in new technology, which has allowed more strawberries to be grown and picked.

- (b) (i) Adapt your demand and supply diagram to demonstrate the change in the UK strawberry market. [1]
- (ii) On your diagram, draw and label:
- the original equilibrium price and equilibrium quantity [1]
  - the new equilibrium price and equilibrium quantity. [1]





**3. Types of organisations**

The UK economy consists of organisations in the private and the public sector.

(a) Outline **one** difference between the private and the public sector. [2]

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(b) Describe the role of the public sector in providing goods and services in the UK. [3]

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Additional space for Question 4 only.

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### 5. Rowlands Coaches

Rowlands Coaches is a small family business run by the owner Helen Rowlands. She is conducting market research to look at ideas for providing a new service. One idea is to introduce a double-decker party bus for young children, aged between 4 and 10. The service will include entertainment, party bags, food and drink. The maximum number of children per party would be 40.



The market research suggests the following revenue and costs per party:

- a price of £10 per child
- variable costs of £2 per child
- fixed costs of £200 per party

(a) Explain **two** reasons why conducting market research is important to a business. [4]

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(b) With reference to the party bus idea, outline the difference between variable and fixed costs. [4]

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(c) Calculate the profit that the party bus would generate per party if 40 children attended. Show your workings. [3]

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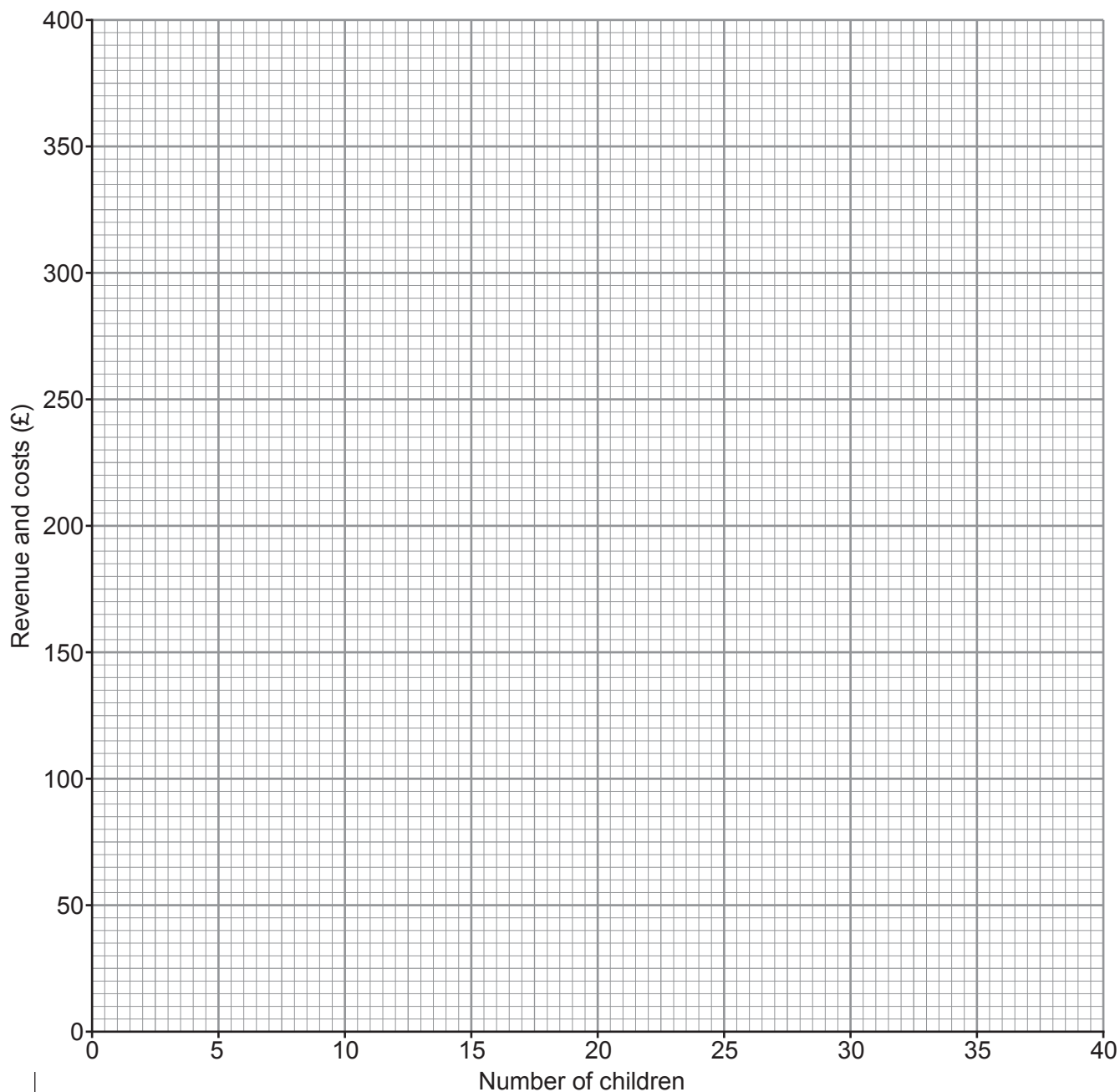
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- (d) (i) Construct a break-even chart for the party bus idea on the graph below. Plot and label total revenue, total costs and fixed costs. [3]

**Break-even chart for party bus idea (Rowlands Coaches)**



- (ii) Identify the number of children required per party to break-even. [1]

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- (iii) Label the margin of safety on the break-even chart if there are 30 children on the party bus. [1]





Additional space for Question 5(e) only.

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**END OF PAPER**





