



**GCSE**

**3510U10-1**

**TUESDAY, 14 MAY 2024 – AFTERNOON**

**BUSINESS**

**Unit 1: Business World**

**2 hours plus your additional time allowance**

**Surname** \_\_\_\_\_

**First name(s)** \_\_\_\_\_

**Centre Number** \_\_\_\_\_

**Candidate Number** 0 \_\_\_\_\_

**For Examiner's use only**

<b>Question</b>	<b>Maximum Mark</b>	<b>Mark Awarded</b>
<b>1.</b>	<b>2</b>	
<b>2.</b>	<b>2</b>	
<b>3.</b>	<b>4</b>	
<b>4.</b>	<b>6</b>	
<b>5.</b>	<b>6</b>	
<b>6.</b>	<b>20</b>	
<b>7.</b>	<b>20</b>	
<b>8.</b>	<b>20</b>	
<b>9.</b>	<b>20</b>	
<b>Total</b>	<b>100</b>	

**ADDITIONAL MATERIALS**

**A calculator.**

**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 booklet.**

**Additional space is provided for some questions within the booklet (if required). If further space is required for any question, use the additional page(s) at the back of the booklet, taking care to number the question(s) correctly.**

**(Turn over)**

**INFORMATION FOR CANDIDATES**

**The number of marks is given in brackets at the end of each question or part-question. You are advised to divide your time accordingly.**

**The total number of marks available is 100.**

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

**Answer ALL the questions in the space provided.**

- 1. Identify which TWO of the following are features of cooperatives. [2 marks]**

**Tick (✓) TWO boxes only.**

<b>Owned by shareholders</b>		<b>Decisions are made by voting</b>	
<b>Owned by members</b>		<b>PLC appears after its name</b>	

- 2. Identify which TWO of the following might reduce the environmental impact of a business. [2 marks]**

**Tick (✓) TWO boxes only.**

<b>Less packaging</b>		<b>Use local suppliers</b>	
<b>Treat all workers equally</b>		<b>Reduce prices</b>	

**(Turn over)**

3. Below are a number of business terms.

Public sector

After sales

Globalisation

Local business

Private sector

Break even

Closing the sale

Closing bank balance

Identify which of the terms above best describes each of the following:

(a) Meeting the needs of customers, once they have bought a product or service. [1 mark]

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(b) When total revenue equals total costs. [1 mark]

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**3 (c) The increased movement of goods and services around the world. [1 mark]**

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**(d) Organisations or businesses run by a government. [1 mark]**

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<b>YEAR</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>TOTAL NUMBER OF PURRRFECT PETZ FRANCHISES</b>	<b>0</b>	<b>2</b>	<b>6</b>	<b>11</b>	<b>19</b>	<b>28</b>	<b>40</b>	<b>58</b>	<b>79</b>

4. **Purrrfect Petz is the name of a pet grooming business that first started in Bangor in 2014. The business expanded using franchising and by 2022 had a total of 79 franchises around the UK.**

**Opposite is a table showing the total number of Purrrfect Petz franchises.**

- (a) **Calculate the percentage change in the number of Purrrfect Petz franchises from 2017 to 2022.**

**[2 marks]**

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**4 (b) Describe the trend in the number of franchises of Purrrfect Petz from 2017 to 2022. [2 marks]**

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**(c) Suggest and explain ONE benefit to a business of becoming a franchisor. [2 marks]**

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**5. Gareth Rees is the owner of SimplyApps which creates apps for businesses looking to sell through m-commerce. Whilst still at school Gareth set up a workshop in his parents' shed, where he repaired the laptops, tablets and smartphones of friends and teachers to earn money. Gareth then went to university to study software development with the aim of becoming an IT programmer. Before Gareth finished his first year in university he had already developed several apps which he sold through Apple's App Store and Google Play. Gareth decided to quit university to focus on his app-making business.**

**(a) Using the information above, describe TWO ways that Gareth Rees displays the characteristics of an entrepreneur. [4 marks]**

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**5(a)**

**2.**

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**Gareth believes the personal service his small business can offer compared to other larger businesses is a valuable USP.**

**5 (b) State what is meant by the term USP. [1 mark]**

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The revenue that Gareth made from selling his apps when in university provided the cash he needed for his business.

5 (c) Suggest ONE reason why cash is important for a business. [1 mark]

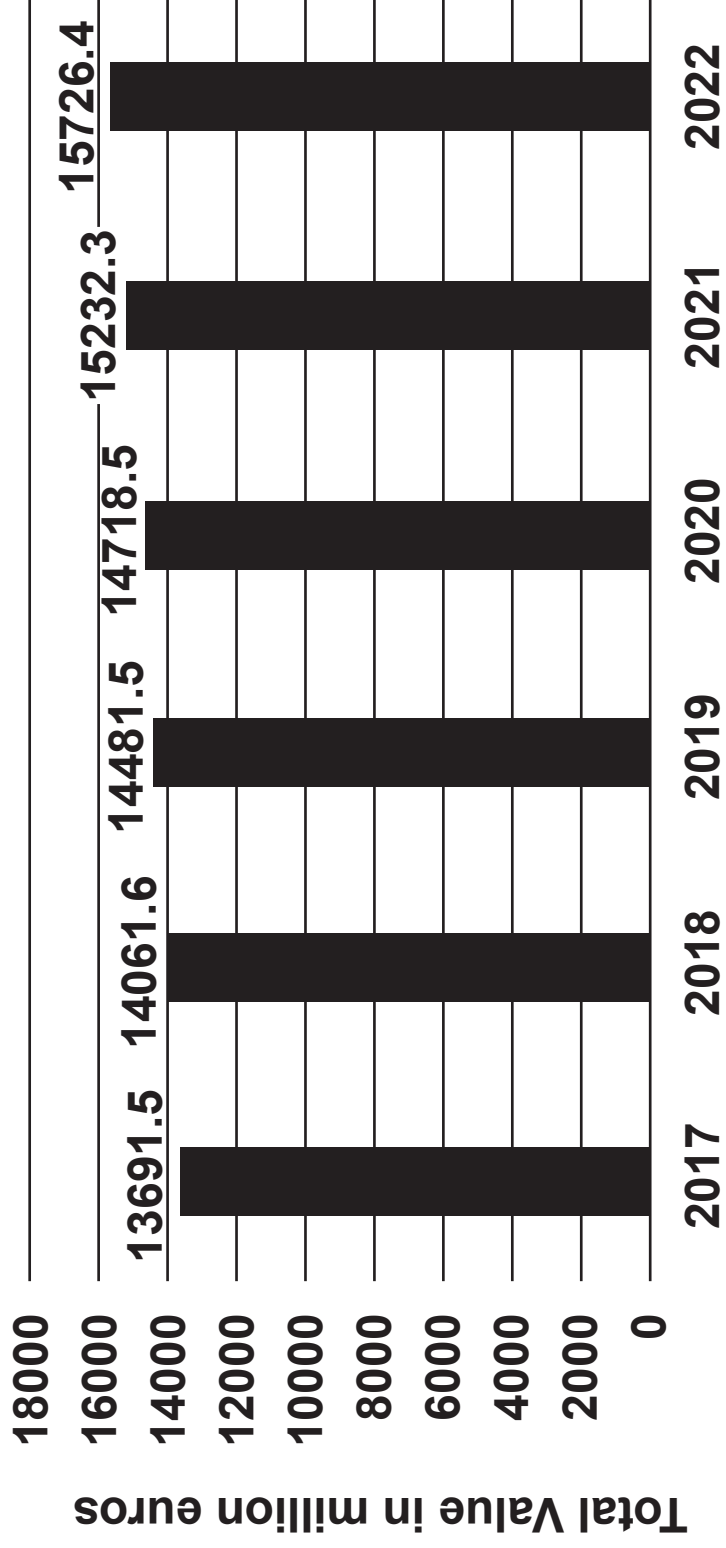
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**MARKET VALUE OF BEAUTY AND PERSONAL CARE  
IN THE UK FROM 2017 TO 2022 (IN MILLION EUROS)**



**6. Sumptuous Scents is a UK retailer specialising in selling expensive perfumes and fragrances for women and men. Brands it sells include Chanel, Gucci and Christian Dior.**

**(a) Identify ONE way Sumptuous Scents segments the market. [1 mark]**

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**The graph opposite shows data on the beauty and personal care market in the UK.**

**(b) Calculate the average market value of beauty and personal care in the UK from 2017 to 2022.**

**[2 marks]**

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**The UK Government has decided to change the rate of Value Added Tax (VAT), which is payable on perfume from 20% to 17.5%.**

**6 (c) Describe ONE impact that lowering the rate of Value Added Tax (VAT) might have on Sumptuous Scents. [2 marks]**

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	<b>2021 (£)</b>	<b>2022 (£)</b>
<b>Sales revenue</b>	<b>822 000</b>	<b>925 000</b>
<b>Cost of sales</b>	<b>288 800</b>	<b>431 000</b>
<b>Gross profit</b>	<b>533 200</b>	<b>494 000</b>
<b>Total expenses</b>	<b>420 000</b>	<b>430 000</b>
<b>Net profit</b>	<b>113 200</b>	<b>64 000</b>

The table opposite shows the profit and loss account (income statement) for Sumptuous Scents in 2021 and 2022.

6 (d) (i)

With reference to the profit and loss account (income statement) opposite, describe the financial performance of Sumptuous Scents between 2021 and 2022. [2 marks]

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**6 (d) (ii)**

**Suggest ONE way that Sumptuous Scents could improve its profitability. [1 mark]**

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**Sumptuous Scents is planning to open three new stores across the UK and will need to recruit three store managers to manage the new stores.**

**As part of the recruitment process Sumptuous Scents will check references.**

**6 (e) (i)**

**Apart from checking references, state TWO stages of the recruitment process. [2 marks]**

**1.** \_\_\_\_\_  
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**2.** \_\_\_\_\_  
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**6 (e) (ii)**

**Suggest and explain ONE reason why businesses check references as part of the recruitment process. [2 marks]**

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**Additional space for Question 6 (f) only:**

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**(Turn over)**

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7. **Yum Yum Meals started in Swansea in February 2022. The business prepares ingredients in its factory before sending meal kits out to customers' houses. The meal kits include the ingredients needed to make a meal with easy to follow cooking instructions. This allows customers to make fresh meals in their homes without having to go to the supermarket.**

**Customers choose their meals online and decide how many meals they want a month, for the price of £12.50 per meal. After its first year of business Yum Yum Meals made a loss of £70 000.**

**Before starting the new business, the owner of Yum Yum Meals created a business plan.**

- (a) **Outline ONE reason why writing a business plan is important before starting up a new business.**

**[2 marks]**

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**(Turn over)**

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**7 (b) Yum Yum Meals needs to calculate how many meal kits it needs to sell in order to break even.**

**It has the following information:**

<b>Fixed costs per year</b>	<b>£156 000</b>
<b>Variable costs per meal kit</b>	<b>£5.00</b>
<b>Selling price per meal kit</b>	<b>£12.50</b>

**7 (b) State the formula for calculating break even. Using the formula, calculate how many meal kits Yum Yum Meals needs to sell per year to break even.**

**[3 marks]**

**Formula**

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**Workings**

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**(Turn over)**

**Yum Yum Meals has to operate within the laws of the UK Government. UK legislation is in place to protect workers and customers from unfair practices and to make sure businesses act in a legal way.**

**7 (c) To what extent can UK legislation impact ONE stakeholder of Yum Yum Meals? [3 marks]**

**Stakeholder**

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**Impact of legislation on the above stakeholder**

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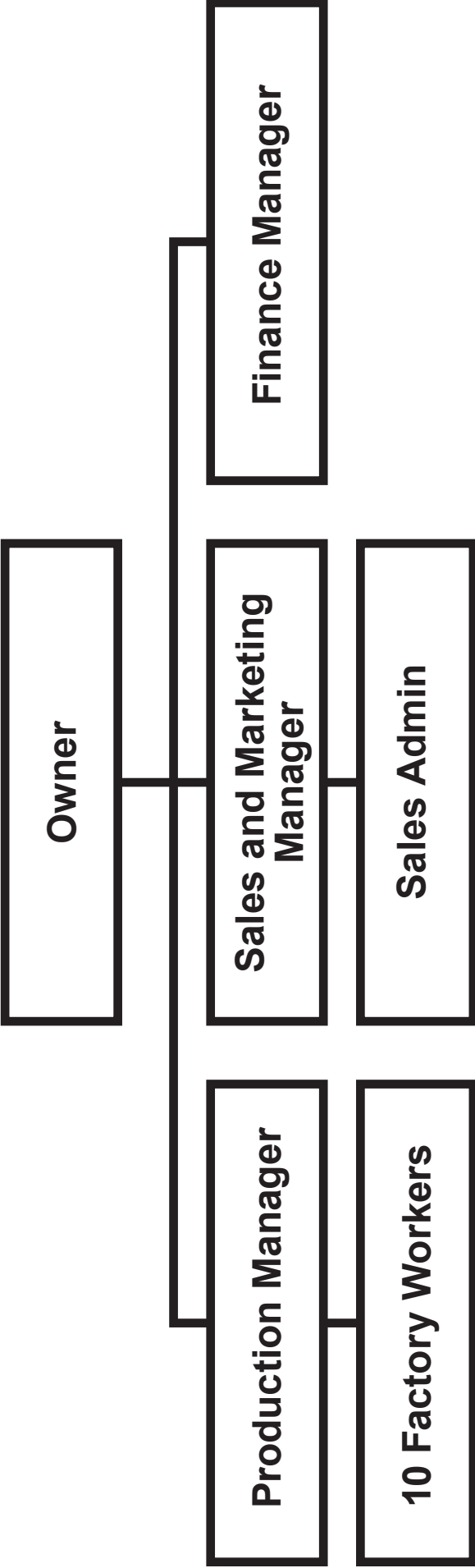
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**Yum Yum Meals has the organisational structure shown opposite.**

**7 (d) Explain why Yum Yum Meals is structured in this way. [2 marks]**

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One of the main objectives for Yum Yum Meals for the coming year is to improve the performance of its workers and managers. To do this the owner is considering the following motivational methods:

- Performance-related pay such as bonuses and piece rate
- Training
- Job enrichment

7 (e) Evaluate the effectiveness of the THREE motivational methods shown above in improving the performance of the workers and managers of Yum Yum Meals. [10 marks]

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8. Hayley Jones and Gwen Matthews are partners in Kickflip, a skatepark in Wrexham. Hayley originally started the business in 2016 as a sole trader when she invested £50 000 opening the skatepark. In 2020 her close friend Gwen invested £5000 in Kickflip and formed a partnership with Hayley. Kickflip has proved popular with customers who can pay either £5 per visit or £25 per month, for unlimited entry. Kickflip has over 140 members each paying the monthly fee and the business made a profit of £21 000 last year. Hayley and Gwen are happy with the success of the business and hope to open more skateparks in the future.

(a) Describe why people invest in businesses.

[2 marks]

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(Turn over)

Hayley and Gwen are considering suitable objectives for Kickflip.

8 (b) Compose a possible SMART objective for Kickflip.  
[2 marks]

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In the future Hayley and Gwen are considering the use of secondary (desk) market research.

8 (d) Suggest and describe ONE advantage of a business carrying out secondary (desk) research instead of primary (field) research. [2 marks]

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**Additional space for Question 8 (e) only:**

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9. **Gwlad Gadgets is an electronics business that employs over 400 workers in its Bridgend factory in South Wales. It specialises in new technology products that it manufactures in the factory using components supplied from other UK or international businesses. It then transports its finished products to the warehouses of UK retailers. Gwlad Gadgets' products are sold in UK shops such as John Lewis, Argos and Currys.**

**The latest product that it has developed and launched is a Smart-Band device that a user can wear on their arm that can display a smartphone screen onto any surface, like a projector.**

- (a) **Identify which of the following types of good gives the best description of the Smart-Band. [1 mark]**

**Please tick (✓) ONE box**

<b>Non-durable good</b>	
<b>Durable good</b>	
<b>Producer good</b>	

**(Turn over)**

# THE PRODUCT LIFE CYCLE OF THE SMART-BAND





**Gwlad Gadgets considered many different locations around the UK, before choosing to locate its factory in Bridgend, South Wales.**

**9 (c) Describe TWO factors that Gwlad Gadgets would have considered when choosing the location of its factory. [4 marks]**

**1.**

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**2.**

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**(Turn over)**

**Gwlad Gadgets employs operatives, supervisors and managers in its factory. The roles of these workers are very different.**

**9 (d) Identify ONE characteristic of an operative job role and ONE characteristic of a supervisor job role.**

**[2 marks]**

**Operative:**

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**Supervisor:**

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**(Turn over)**













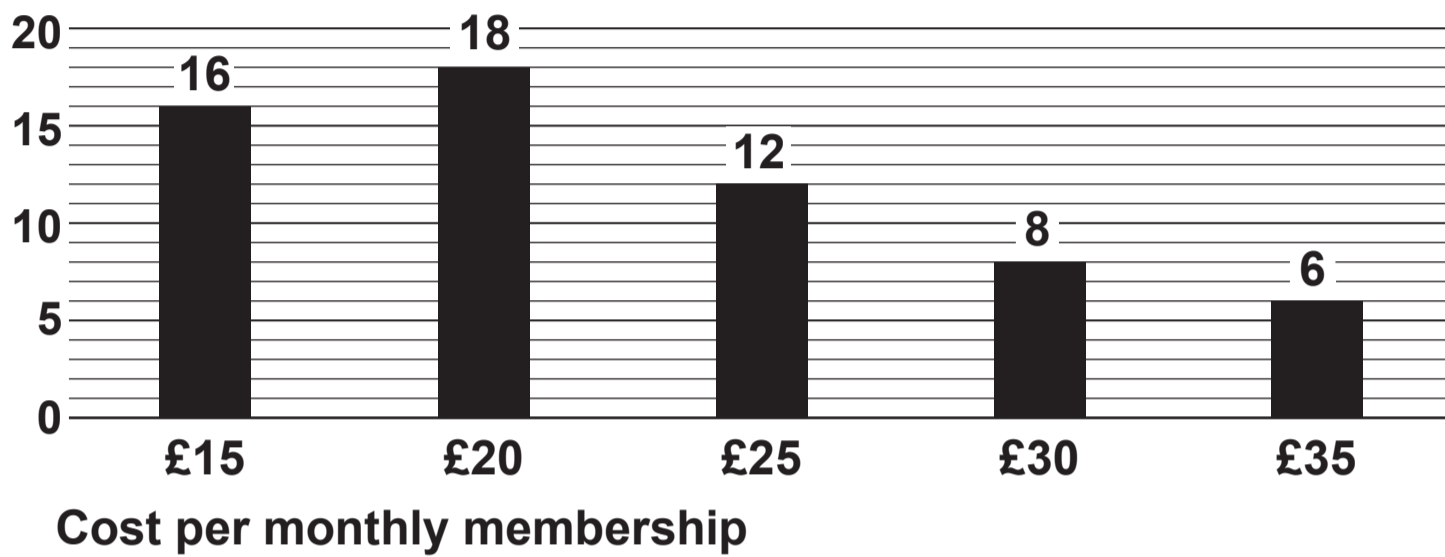




**GRAPH 1**

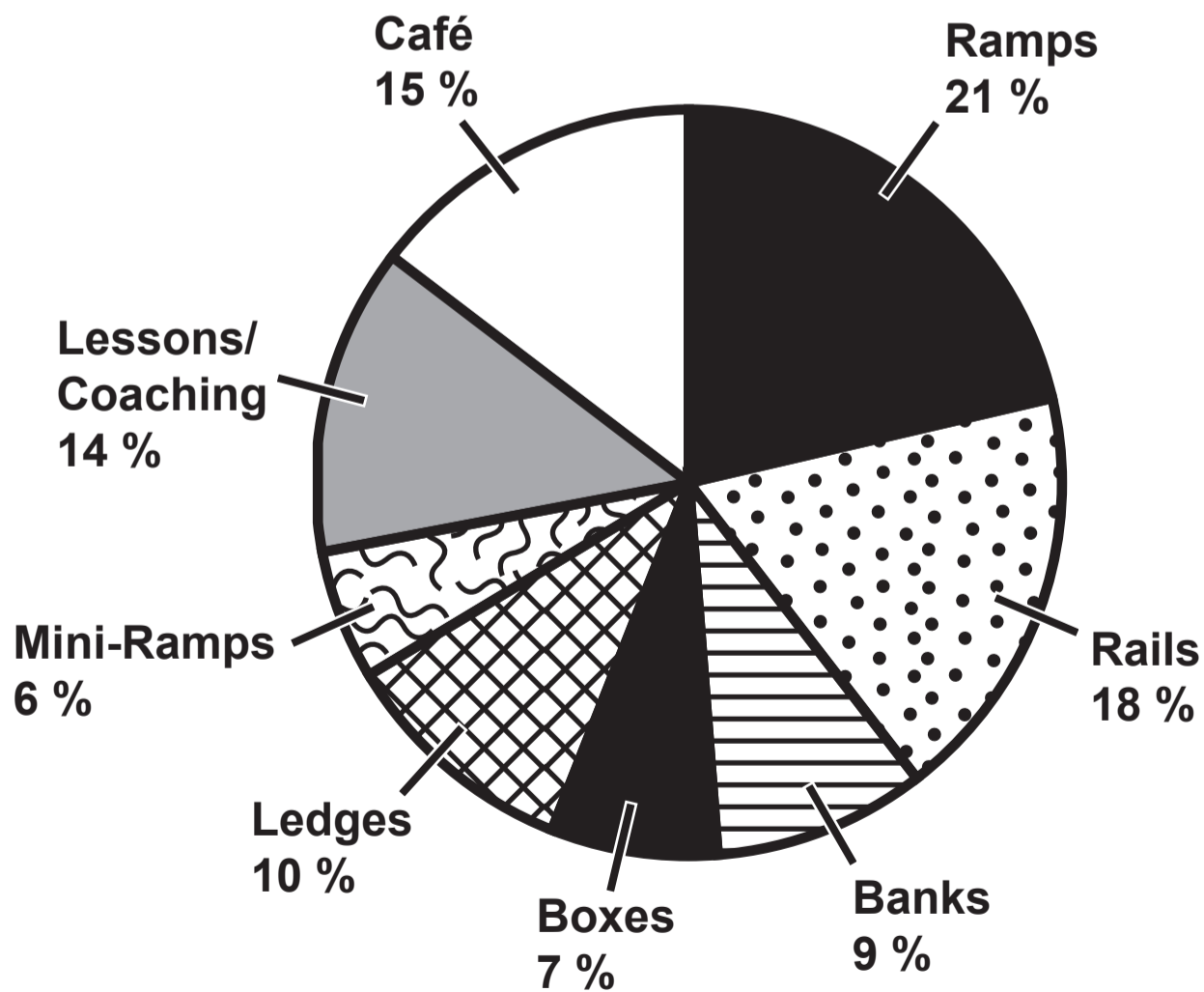
**PRICE THAT CUSTOMERS ARE WILLING TO PAY FOR MONTHLY MEMBERSHIP TO A SKATEPARK**

Number of respondents



**GRAPH 2**

**THE FACILITIES CUSTOMERS WANT AT SKATEPARKS**



Note: Ramps, rails, banks, boxes, ledges and mini-ramps are different skatepark features, allowing skaters to attempt different tricks.