



GCSE

4080/01

BUSINESS STUDIES

FRIDAY, 9 JUNE 2017 – AFTERNOON

2 hours plus your additional time allowance

Surname _____

Other Names _____

Centre Number _____

Candidate Number 0 _____

For Examiner's use only		
Question	Maximum Mark	Mark Awarded
1.	3	
2.	2	
3.	3	
4.	4	
5.	4	
6.	4	
7.	20	
8.	20	
9.	20	
10.	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 7(e) and 9(e).

Answer ALL the questions in the spaces provided.

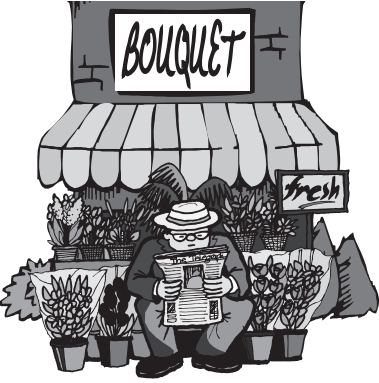



1(a) Which of the following best describes the term UNLIMITED LIABILITY? [1]

Tick (✓) ONE box only.

The number of workers in a business must not be more than twenty	
The owners of a business do not have to pay compensation to workers injured at work	
The owners of a business may have to sell personal possessions if the business goes bankrupt	

1(b) Which TWO of the following businesses will have UNLIMITED LIABILITY? [2]

Tick (✓) TWO boxes only.

<p>Arlene's Bouquet</p> 	
<p>Timberskills Ltd</p> 	
<p>Best Look plc</p> 	
<p>Snips Salon</p> 	

2. In EACH case below tick whether the goods are most likely to have been produced using job, batch or flow production methods. [2]

(i) A one-off wedding dress made to a unique design.

Tick (✓) ONE box only.

JOB BATCH FLOW

(ii) Identical pencils made on a production line in large quantities.

Tick (✓) ONE box only.

JOB BATCH FLOW

3. Which **THREE** of the following are examples of **FIXED COSTS** paid by a small local café that provides a delivery service? [3]

Tick (✓) **THREE** boxes only.

Rent for the shop		Monthly lease on equipment and machinery	
Cost of ingredients and stock		Cost of fuel for deliveries	
Payment of business rates on premises		Value Added Tax (VAT) paid to the Government	

4. **Timberskills Ltd is a DIY store that sells a range of goods such as home furnishings, decorating products, gardening equipment and garden furniture such as; barbeques, deck chairs and sun loungers. Below is an extract from the company's profit and loss account.**

**PROFIT AND LOSS ACCOUNT FOR
TIMBERSKILLS LTD 2016**

SALES	£500 000
COST OF SALES	£300 000
GROSS PROFIT	
EXPENSES	£150 000
NET PROFIT	

4(a) Calculate the gross profit and net profit for 2016.

[2]

(i) GROSS PROFIT 2016

(ii) NET PROFIT 2016

4(b) How might a wet summer affect the sales of Timberskills Ltd? [2]

**DIVISION
OF LABOUR**

SHAREHOLDER

GROSS PAY

EXCHANGE RATES

**INTEREST
RATES**

**ECONOMIES
OF SCALE**

STAKEHOLDER

NET PAY

5. Opposite are a number of terms and concepts used in business.

Which of the terms or concepts opposite best describes EACH of the following: [4]

- (i) value of one country's currency against another country's currency;
-

- (ii) the money workers receive before statutory and voluntary deductions are taken from pay;
-

- (iii) an increase in production (output) results in a reduction in unit costs;
-

- (iv) anyone that can be affected by the operation of a business?
-

6. Most businesses follow a similar recruitment process when it comes to employing workers. An important stage within the process is advertising the vacancy. As part of the job advert, businesses will often attach a job description.

(a) Explain the purpose of a job description in the recruitment process. [2]

Another important stage comes after application forms have been received by the business, which is called shortlisting.

6(b) Explain the purpose of shortlisting in the recruitment process. [2]

7. Christopher Williams had worked in the retail industry for 20 years. In 2016 he was made redundant. He believed that he had the characteristics to be a successful entrepreneur. He came up with the idea to set up his own sports shop called 'CW Sports', and used his redundancy money to set it up.

(a) Identify TWO functions of an entrepreneur. [2]

1. _____

2. _____

7(b) Explain TWO reasons why an individual such as Christopher Williams may wish to set up his or her own business. [4]

1. _____

2. _____

Christopher Williams had a problem choosing a suitable location for CW Sports.

7(c) Apart from competition, suggest TWO other factors that Christopher Williams needed to consider when choosing the location of the shop. [2]

1. _____

2. _____

(d) Outline ONE reason why locating near to competitors could be a disadvantage to CW Sports. [2]

8. **Second Cup, a specialist coffee retailer, was set up by Tom Culligan, in Toronto, Canada in 1975. He expanded the business through franchising, selling the rights to the business name and product. Second Cup is now one of the most established coffee retailers in the world.**

Second Cup cafés offer a wide selection of coffees, espresso-based beverages, iced beverages, blender drinks, speciality teas, frozen yogurt and a range of food items.

Adapted from mysecondcup.com

- (a) State TWO functions of a retailer. [2]**

1. _____

2. _____

8(b) What is the name given to the person or business selling the rights to the business name and products? [1]

A franchise with Second Cup will cost a minimum of £50 000.

(c) Suggest ONE possible source of external finance that would be suitable to raise the money to pay the £50 000. Give ONE advantage and ONE disadvantage of your suggestion. [3]

SOURCE OF EXTERNAL FINANCE

ADVANTAGE _____

8(c) DISADVANTAGE _____

The person or business buying the franchise from Second Cup may need to prepare a business plan to help them obtain the money needed to pay the £50 000.

- 8(d) Apart from personal details (name, address and telephone number), suggest TWO pieces of information that should be included in a business plan and explain why the information is needed. [4]

INFORMATION 1 _____

REASON _____

INFORMATION 2 _____

REASON _____

Tom Culligan must communicate effectively with businesses all over the world. He would rather use electronic methods such as email, instead of using traditional methods such as sending letters.

8(e) Explain ONE reason why Tom Culligan uses electronic communication such as email. [2]

9. Delyn Packaging Ltd is a manufacturer of high quality, made-to-order packaging. The business mainly produces plastic food packaging for meat, BBQ, salads and pasta, snacks, party foods, bakery and convenience/ready meals.

(a) Suggest and explain TWO reasons why packaging is important. [4]

1. _____

2. _____

9(b) Outline the benefits to Delyn Packaging Ltd of selling high quality plastic food packaging to its customers. [2]

Delyn Packaging Ltd are going to introduce computer aided design (CAD) to produce designs for their new plastic food packaging.

9(c) Suggest and explain ONE benefit to businesses such as Delyn Packaging Ltd of using computer aided design (CAD). [2]

9(d) Explain why the workers at Delyn Packaging Ltd may be concerned by the introduction of new technology such as computer aided design (CAD). [2]

GAVIN AND ANITA'S CASH FLOW FORECAST JUNE TO DECEMBER 2017

	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
RECEIPTS	£	£	£	£	£	£	£
Turnover	3 000	3 200	3 500	3 100	2 800	2 600	2 300
PAYMENTS							
Materials	500	540	550	?	535	550	450
Salary/Wages	1 200	1 200	1 200	1 200	1 200	1 200	1 200
Rent	400	400	400	400	400	400	400
Gas			180			180	
Electricity		160			160		
Insurance	100	100	100	100	100	100	100
Other Costs	500	200	50	150	250	300	275
TOTAL PAYMENTS	2 700	2 600	2 480	2 395	2 645	2 730	2 425
NET CASH FLOW	300	600	1 020	705	155	-130	-125
Opening Bank Balance	1 000	1 300	1 900	2 920	3 625	3 780	3 650
Closing Bank Balance	1 300	1 900	2 920	3 625	3 780	3 650	?

10. Gavin and Anita Johnson always enjoyed woodcraft, particularly making wooden furniture. They have decided to use the skills gained from their hobby to set up a small business producing wooden mirrors, picture frames, small tables and stools. [2]

(a)(i) What is meant by the term turnover? [1]

(ii) How could Gavin and Anita improve their turnover? [2]

10(b) Identify ONE other cost Gavin and Anita's business may have. [1]

(c) Suggest TWO ways in which a cash flow forecast might be useful to a business such as Gavin and Anita's. [2]

1. _____

2. _____

10(d) Calculate the estimated: [2]

Materials payment for September

Closing bank balance for December
