



Surname _____

Forename(s) _____

Centre Number _____

Candidate Number _____

Candidate Signature _____

I declare this is my own work.

GCSE

BUSINESS

**Paper 1 Influences of operations and HRM on
business activity**

8132/1

Tuesday 14 May 2024 Afternoon

Time allowed: 1 hour 45 minutes

**At the top of the page, write your surname and
forename(s), your centre number, your candidate
number and add your signature.**

[Turn over]



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MATERIALS

For this paper you must have:

- a calculator.

INSTRUCTIONS

- Use black ink or black ball-point pen.
- Answer ALL questions.
- You must answer the questions in the spaces provided. Do not write on blank pages.
- If you need extra space for your answer(s), use the lined pages at the end of this book. Write the question number against your answer(s).
- Do all rough work in this answer book. Cross through any work you do not want to be marked.

INFORMATION

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

DO NOT TURN OVER UNTIL TOLD TO DO SO



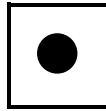
SECTION A

Answer ALL questions in the spaces provided.

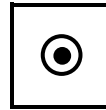
For questions with four responses, only ONE answer per question is allowed.

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

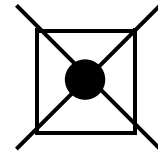
CORRECT METHOD



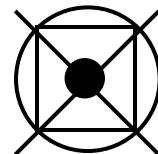
WRONG METHODS



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.



01.1

Which of the following is a benefit to an entrepreneur of operating as a sole trader? [1 mark]

A Can sell shares

B Easy to set up

C Limited liability

D Many owners

[Turn over]



01.2

Which of the following is a method of internal recruitment? [1 mark]

A Advertising at a job centre

B Advertising in a newspaper

C Advertising on a noticeboard in the staffroom

D Advertising with an employment agency



01.3

Which of the following describes when induction training should take place? [1 mark]

A When an employee first joins a business

B When an employee leaves a job

C When an employee needs to learn new skills

D When an employee starts using new technology

[Turn over]



01.4

Which of the following is correct for a flat organisational structure? [1 mark]

A Many levels of hierarchy

B Many opportunities for promotion

C Narrow span of control

D Short chain of command



01.5

Which of the following is the most likely effect of a decrease in interest rates? [1 mark]

A Borrowing will be cheaper.

B Business investment will fall.

C Consumer spending will reduce.

D More people will save.

[Turn over]



01.6

Which of the following is an example of a fixed cost?
[1 mark]

A Interest payments

B Packaging for goods

C Production wages

D Raw materials



01.7

Explain ONE method of growth used by a business when expanding organically or externally. [2 marks]

[Turn over]



01.8

Explain why a business uses delayering. [2 marks]

01.9

Explain ONE way a person specification can be used as part of the recruitment process. [2 marks]

[Turn over]

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Businesses aim to meet the needs and wants of customers. Explain the meaning of the term 'need' using an example. [2 marks]



0 1 . 1 1

Explain ONE disadvantage to a business of expanding through external growth. [2 marks]

[Turn over]

01.12

Land is one of the four factors of production.

Identify and explain TWO factors of production other than land. [4 marks]

Factor 1 _____

Explanation _____

Factor 2 _____

Explanation _____

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[Turn over]



SECTION B

Answer ALL questions in the spaces provided.

0	2
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ITEM A: Luscious Locks by E

Elaine owns her own hair salon called Luscious Locks by E (LLE). The salon has one senior hairdresser and five junior hairdressers.

The senior and most qualified hairdresser is leaving the business at the end of the month. They are leaving because Elaine did not listen to ideas from employees on new hairstyles to offer.

John will be promoted to the senior hairdresser role. He is the most experienced of the junior hairdressers and is frequently fully booked. Customers are charged a premium price for bookings with the senior hairdresser and expect a high level of skill.

John has asked Elaine if the salon would pay for him to go on a college course. He would need to attend the course one afternoon every week for 2 years. The course will be led by a specialist trainer in the latest hair techniques. An alternative would be for John to receive on-the-job training from the current senior hairdresser until they leave the business.



LLE's sales and profits have recently fallen due to the opening of a new salon that offers the latest up-to-date celebrity styles.

0 2 . 1

Explain ONE benefit to a business of employing workers on a part-time contract. [2 marks]

[Turn over]

[Turn over]



ITEM B: Luscious Locks by E

Elaine has been looking into ways to increase LLE's revenue. Elaine has identified a growing trend for organic hair treatments. Demand has risen after a popular celebrity promoted the benefits of organic hair treatments on her television show.

Elaine has found a new supplier that makes homemade organic hair treatments. The treatments are vegetable based and have a shelf life of a month. After this date they will need to be thrown away.

When making an appointment, customers have to give the salon 24 hours' notice if they want an organic hair treatment. Twenty customers booked the treatments last week. A customer has complained that she could not get an organic hair treatment whilst at the salon as she had not booked this in advance and no stock was being held.

The supplier is not local and the delivery costs are high. The supplier is encouraging Elaine to make a bulk purchase by offering a large discount on orders over 100.



0 2 . 4

**Explain ONE benefit of growth to a business.
[2 marks]**

[Turn over]

0	2	.	5
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Elaine ordered 20 organic hair treatments for £300 in total.

Calculate the unit cost of each treatment.
Show your workings. [2 marks]

£ _____



[Turn over]

33



SECTION C

Answer ALL questions in the spaces provided.

0	3
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ITEM C: Bootmills Ltd

Bootmills Ltd is a UK producer of high-quality leather boots. Many of the boots have designs and patterns which keep up with fashion trends.

The factory in Birmingham employs a highly skilled labour force. Some machinery is used but the boots are largely handmade. All employees are responsible for checking their work. Boots are sent back to the previous employees if production is not at the required quality standard.

The factory holds a small stock of raw materials. New deliveries are needed every 24 hours. The boots are made from the highest quality leather. A wide range of supplies such as suede and rubber are also needed. Bootmills Ltd also needs different thicknesses of raw materials to make different parts of the boots.

Bootmills Ltd offers a 3-month refund policy for any boots which are faulty. Faults include where stitching comes undone or where the leather cracks. Very few boots are returned to the company because of faults.



03.1

State ONE benefit to a business of providing a high level of customer service. [1 mark]

[Turn over]

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[Turn over]



ITEM D: Bootmills Ltd

Bootmills Ltd sells boots to retailers around the world. 2023 was a very successful year. Profits increased by 43% to £64.3 million. Sales of boots abroad account for 60% of total sales. Half of these are in Europe. Raw materials are sourced in the UK. The variable cost of each pair of boots is £50.

The business has 1300 employees. The average salary is £38 000 a year which is higher than competitors' salaries. Employee turnover is low. In 2023, a profit-sharing bonus of 5% was awarded to all employees who have worked for the business for over 12 months.

TABLE 1 Exchange rate of the pound to the euro

	November	December	January	February	March
£1 =	1.19 €	1.20 €	1.18 €	1.17 €	1.17 €



%

[Turn over]



ITEM E: Bootmills Ltd

Bootmills Ltd is the market leader in the UK. To improve profits, Bootmills Ltd must increase sales to China and the USA. However, international markets are highly competitive. Boots are currently sold for an average of £95 to retailers. The variable cost of each pair of boots is £50.

In China, retailers prefer 'face-to-face' meetings with the manufacturer. Chinese retailers are prepared to pay a premium price for British brands. The size of the Chinese boot market is \$79 billion for sales of all brands.

Retailers in the USA have indicated that they are more likely to buy the product if the price can be reduced to £70. The size of the USA boot market is \$99 billion for sales of all brands.

Bootmills Ltd's directors are considering two options.

INTRODUCING FLOW PRODUCTION.

Boots can be made quickly using a fully automated process. The skilled workforce will be offered jobs elsewhere in the business. There will be an estimated 300 redundancies. Employees have indicated they will strike if this many jobs are lost.

The savings on salaries over 2 years will cover the cost of the new machinery and redundancies. After this, the



cost saving can be passed on to customers. The variable costs of production will fall to £20 per pair of boots.

CHANGING THE ROLE OF THE WORKFORCE.

Bootmills Ltd currently has 50 employees who deal with sales over the telephone and email. Thirty of these employees could change to being based abroad in countries such as China and the USA. These employees will meet with the local retailers to:

- show new designs
- take orders
- get feedback on the needs and wants of customers in overseas markets.

These employees will be offered a £10 000 pay rise. The directors are confident many of the existing sales team will be interested in working abroad. This should reduce redundancies.

Recruiting and training for the new role should take 8 months.

[Turn over]



03.7

Bootmills Ltd wishes to make its boots more competitive abroad. The directors are considering TWO options.

- 1. Introducing flow production.**
- 2. Changing the role of the workforce.**

Analyse the effect of EACH of these TWO options on Bootmills Ltd.

Evaluate which of these TWO options will have the bigger impact on Bootmills Ltd competing internationally. [12 marks]

END OF QUESTIONS

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For Examiner's Use	
Section	Mark
A	
B	
C	
TOTAL	

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