

Surname	Centre Number	Candidate Number
First name(s)		0



GCSE

3510U10-1



S24-3510U10-1

TUESDAY, 14 MAY 2024 – AFTERNOON

BUSINESS

Unit 1: Business World

2 hours

For Examiner's use only		
Question	Maximum Mark	Mark Awarded
1.	2	
2.	2	
3.	4	
4.	6	
5.	6	
6.	20	
7.	20	
8.	20	
9.	20	
Total	100	

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ADDITIONAL MATERIALS

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** 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.

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.



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

1. Identify which **two** of the following are features of cooperatives. [2]

Tick (✓) **two** boxes only.

Owned by shareholders		Decisions are made by voting	
Owned by members		PLC appears after its name	

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

Tick (✓) **two** boxes only.

Less packaging		Use local suppliers	
Treat all workers equally		Reduce prices	



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]

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

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

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

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4. Purrfect 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.

Below is a table showing the total number of Purrfect Petz franchises.

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total number of Purrfect Petz franchises	0	2	6	11	19	28	40	58	79

- (a) Calculate the percentage change in the number of Purrfect Petz franchises from 2017 to 2022. [2]

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- (b) Describe the trend in the number of franchises of Purrfect Petz from 2017 to 2022. [2]

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

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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]

1.

2.

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

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

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

(c) Suggest **one** reason why cash is important for a business. [1]

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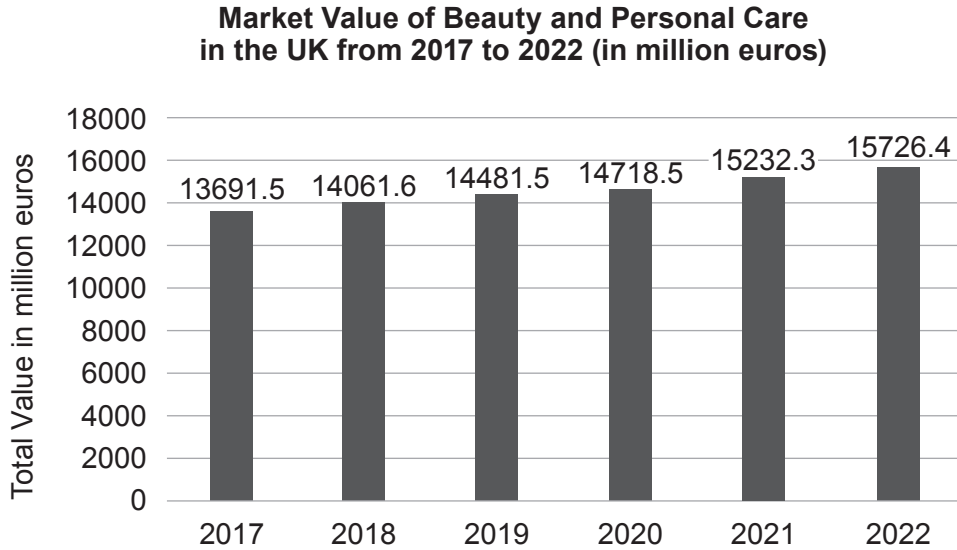
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6. Sumptuous Scents is a UK retailer specialising in selling expensive perfumes and fragrances for women and men. Brands it sells include Chanel, Gucci and Christian Dior.

(a) Identify one way Sumptuous Scents segments the market. [1]

The graph below 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]

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

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



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

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

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

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- (ii) Suggest **one** way that Sumptuous Scents could improve its profitability. [1]

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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]

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Yum Yum Meals needs to calculate how many meal kits it needs to sell in order to break even.

It has the following information:

Fixed costs per year	£156 000
Variable costs per meal kit	£5.00
Selling price per meal kit	£12.50

- (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]

Formula

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Workings

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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.

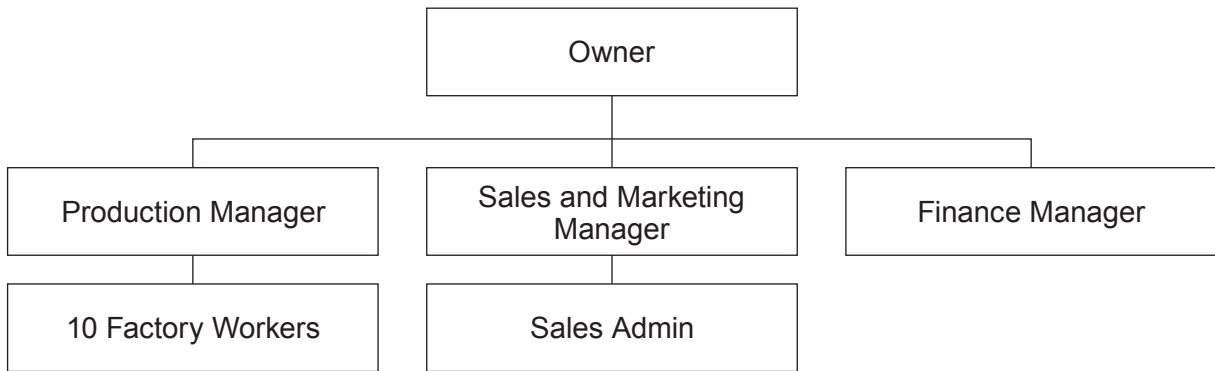
(c) To what extent can UK legislation impact **one** stakeholder of Yum Yum Meals? [3]

Stakeholder

Impact of legislation on the above stakeholder

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Yum Yum Meals has the organisational structure shown below:



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

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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]

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Hayley and Gwen are considering suitable objectives for Kickflip.

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

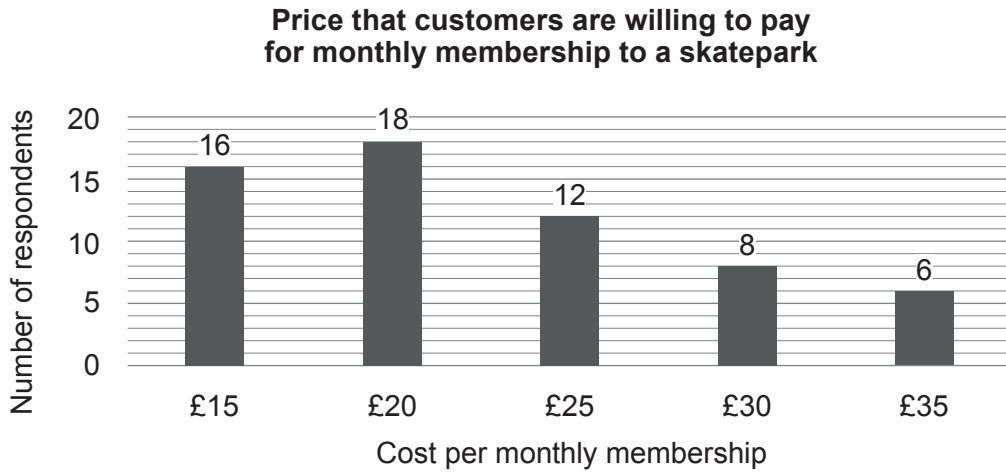
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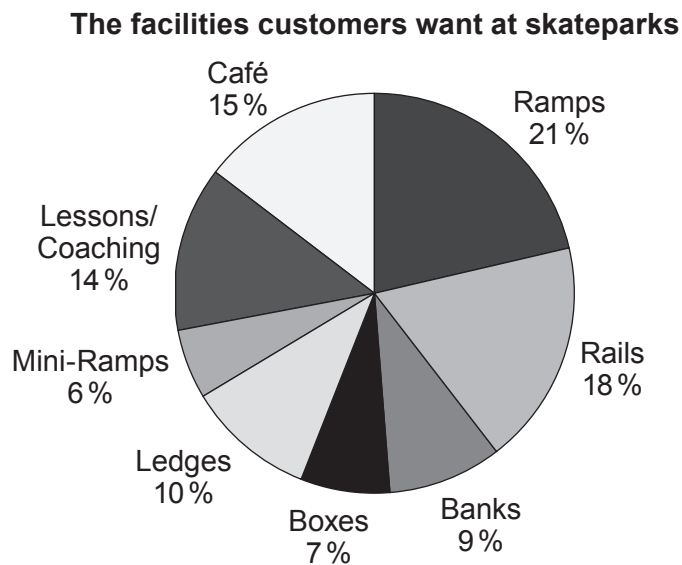


Hayley and Gwen have carried out primary (field) market research. The following graphs show a selection of the market research results.

Graph 1:



Graph 2:



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

(c) Discuss how the primary market research results shown in **Graphs 1** and **2** might influence Hayley and Gwen in the running of Kickflip. [6]

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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.

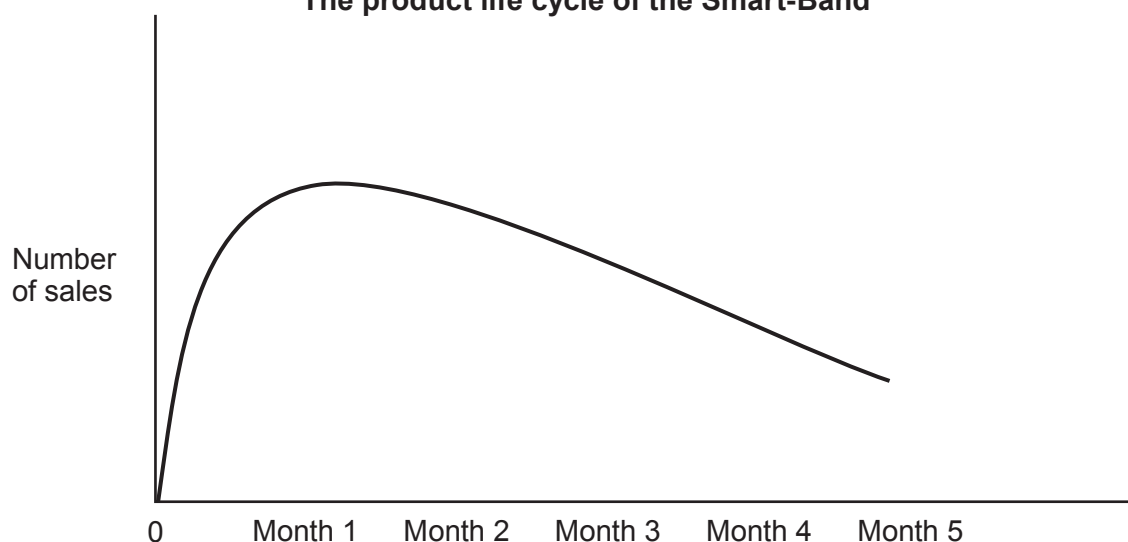
(a) Identify which of the following types of good gives the best description of the Smart-Band. [1]

Please tick (✓) **one** box

Non-durable good	
Durable good	
Producer good	

Below is a product life cycle diagram showing the sales of the Smart-Band since its launch.

The product life cycle of the Smart-Band



(b) With reference to the product life cycle above, discuss what action Gwlad Gadgets could take in response to the sales of the Smart-Band. [3]

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

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

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2.
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Gwlad Gadgets employs operatives, supervisors and managers in its factory. The roles of these workers are very different.

(d) Identify **one** characteristic of an operative job role and **one** characteristic of a supervisor job role. [2]

Operative:

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Supervisor:

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Additional space for Question 9(e) only:

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