



GCSE – **NEW**

**3510U10-1**

**FRIDAY, 24 MAY 2019 – MORNING**

**BUSINESS**

**Unit 1: Business World**

**2 hours plus your additional time allowance**

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

**Other Names** \_\_\_\_\_

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

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

<b>For Examiner's use only</b>		
<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>3</b>	
<b>5.</b>	<b>4</b>	
<b>6.</b>	<b>5</b>	
<b>7.</b>	<b>20</b>	
<b>8.</b>	<b>20</b>	
<b>9.</b>	<b>20</b>	
<b>10.</b>	<b>20</b>	
<b>Total</b>	<b>100</b>	

**ADDITIONAL MATERIALS**

**A calculator.**

**INSTRUCTIONS TO CANDIDATES**

**Use black ink or black ball-point pen or your usual method.**

**Answer ALL questions.**

**Write your name, centre number and candidate number in the spaces provided on the front cover.**

**Write your answers in the spaces provided in this booklet.**

**If you run out of space, 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.**

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

1. Identify which **TWO** of the following are examples of durable goods. [2]

**Tick (✓) TWO boxes only.**

<b>Firework</b>		<b>Chair</b>	
<b>Mobile phone</b>		<b>Chocolate bar</b>	

2. Identify which **TWO** of the following services are usually provided by the public sector in the UK. [2]

**Tick (✓) TWO boxes only.**

<b>Telephone and Internet providers</b>		<b>Armed forces</b>	
<b>Car repairs</b>		<b>Education</b>	

3. **Below are a number of business terms and phrases.**

**Logistics**

**Procurement**

**Internal growth**

**Maturity**

**Economies of scale**

**External growth**

**Launch**

**Customer service**

**Identify which of the terms opposite best describes each of the following:**

- (a) The term used to describe the buying of supplies for a manufacturing business. [1]**

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- (b) The stage of the product life cycle when the product is first available to buy. [1]**

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- (c) Increasing the size of the business through mergers and takeovers. [1]**

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- (d) Managing the movement of products through transportation, storage and security. [1]**

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4. Car manufacturers such as The Ford Motor Company develop and sell a wide variety of cars and other vehicles. For example they sell small and large cars, available in a range of colours, priced between £9 795 to £300 000 and sell different types of cars in the UK compared to the USA. This is because The Ford Motor Company uses market segmentation.

Identify THREE market segments The Ford Motor Company are likely to use. [3]

1. \_\_\_\_\_

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2. \_\_\_\_\_

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3. \_\_\_\_\_

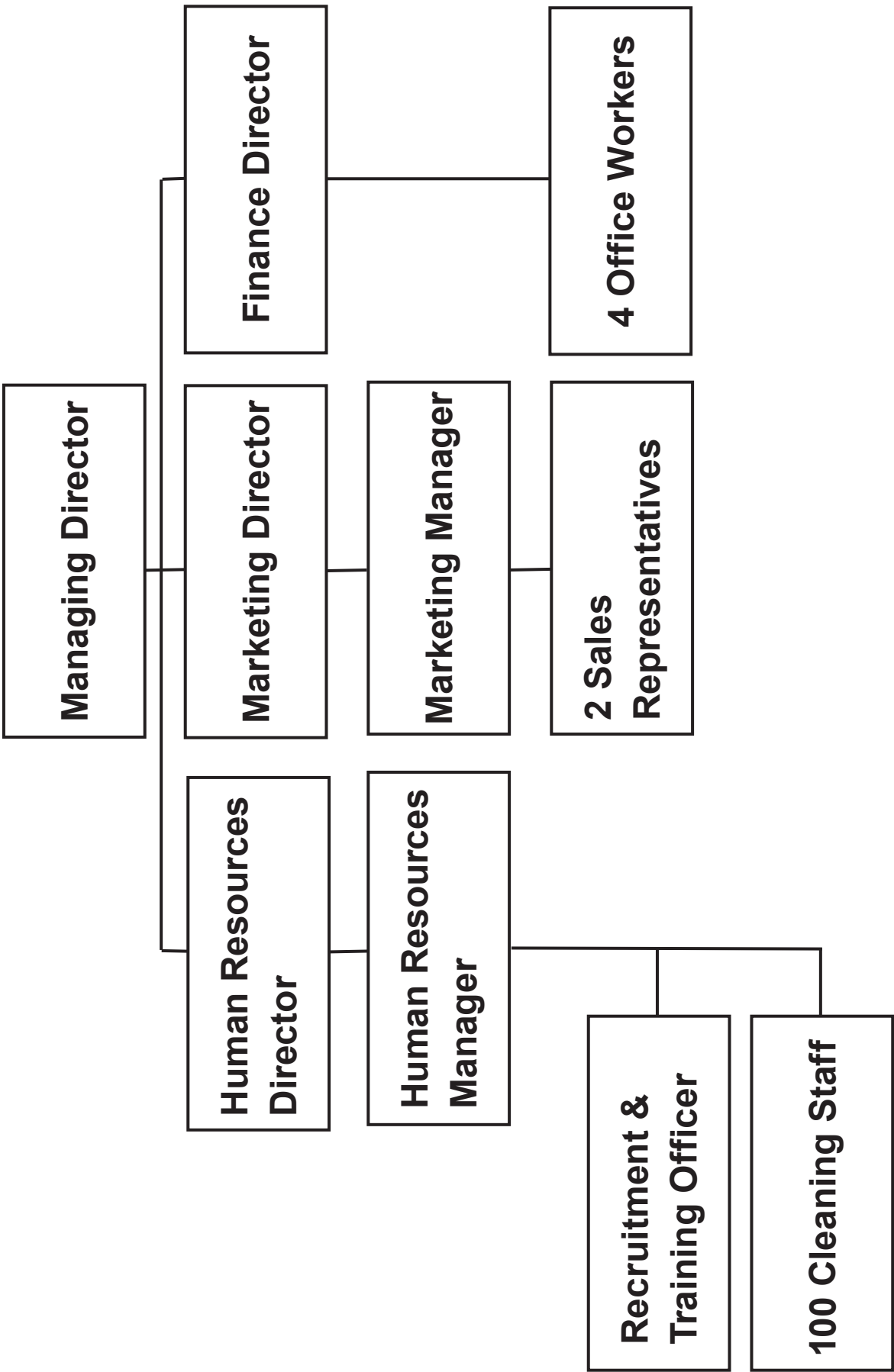
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- 6. Maids-in-Wales is a cleaning company based in South Wales. It has a main office in Llanelli and offers cleaning services for both commercial and domestic properties.**

**Opposite is an organisational chart for Maids-in-Wales.**



**6(a) Define the term span of control. [1]**

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**(b) From the organisation chart, identify the span of control of the Finance Director. [1]**

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**(c) From the organisational chart, name which director is responsible for the training of workers. [1]**

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**Due to the success of the business, Isabelle is looking to open a second shop.**

**7(b) Describe TWO factors that Isabelle needs to consider before choosing a site for her new shop. [4]**

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7(b) 2. \_\_\_\_\_

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**Isabelle has written a business plan and carried out market research.**

**(c) Outline why market research is important to Isabelle Davies, the owner of Belle’s Boutique. [2]**

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**7(d)      Apart from market research, name TWO other pieces of information that Isabelle should include in her business plan. [2]**

**1.**      \_\_\_\_\_

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**2.**      \_\_\_\_\_

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**Isabelle believes part of her success is because she runs an ethical business. This includes using fairtrade suppliers and treating workers fairly.**

**(e)      Discuss the advantages and disadvantages to Belle's Boutique of being an ethical business. [8]**

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**8. The Crazy Cow is a small business in Swansea, selling luxurious milkshakes to the public. The Crazy Cow makes all its milkshakes in-store, to ensure the customers get the freshest possible products. The business is particularly popular amongst children, teens and young adults who enjoy the taste and presentation of the milkshakes. The owners of The Crazy Cow are keen to be successful and grow the business across South Wales.**

**(a) Apart from growth, state a business aim that The Crazy Cow may have. [1]**

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**(b) Suggest an example of a variable cost that The Crazy Cow may have. [1]**

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8. The Crazy Cow is trying to calculate how many milkshakes it will need to sell in order to break even this year. It has the following information.

<b>Fixed costs per year</b>	<b>£6 000</b>
<b>Variable cost per milkshake</b>	<b>£2</b>
<b>Selling price</b>	<b>£3.50</b>

**8(c) State the formula for calculating break even. Using the formula, calculate how many milkshakes The Crazy Cow needs to sell to break even. [3]**

**Formula**

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**Workings**

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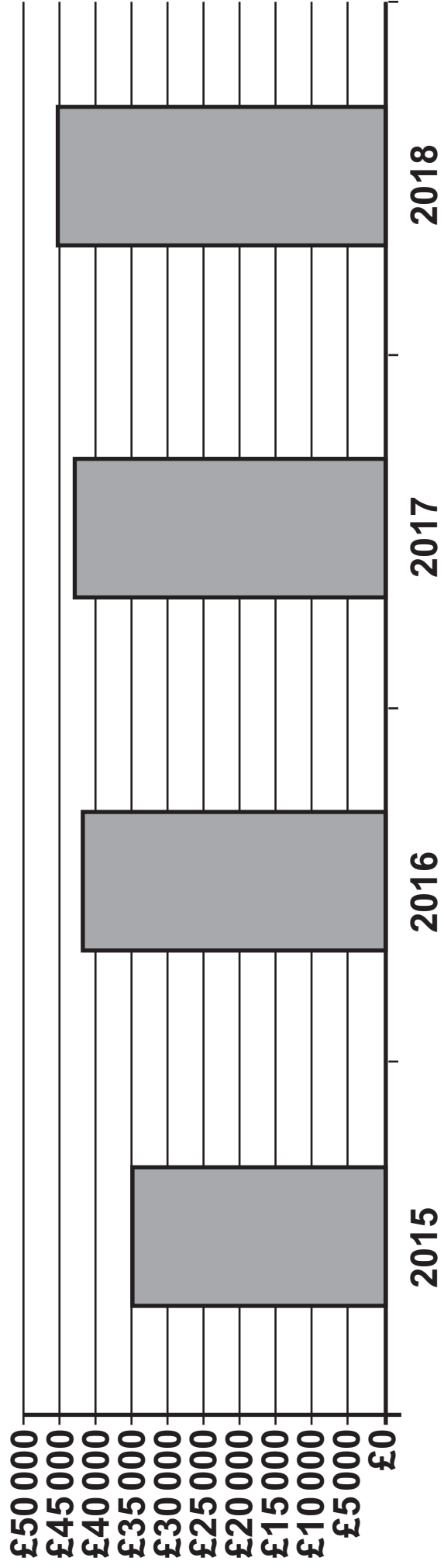
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# ANNUAL SALES REVENUE FOR THE CRAZY COW FROM 2015 TO 2018









9. **Sound as a Pound Ltd is a business in North Wales that sells all its products for £1 each. It sells a wide range of products directly to the public including sweets, toys, household items and beauty products. It competes with national businesses like Poundworld, 99p Stores and Home Bargains. It has 6 stores across North Wales and employs over 100 people.**

(a) **Identify which of the following best describes Sound as a Pound Ltd. [1]**

**Tick (✓) ONE box only.**

<b>Wholesaler</b>	
<b>Manufacturer</b>	
<b>Retailer</b>	



**Sound as a Pound Ltd is opening three new stores and needs to recruit managers, shop assistants, delivery drivers and cleaners.**

**9(c) Consider TWO appropriate media that Sound as a Pound Ltd could use to advertise the vacancies to ensure they recruit the right people. [6]**

**1.** \_\_\_\_\_

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**2.** \_\_\_\_\_

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**Sound as a Pound Ltd realises the importance of having a well-motivated workforce.**

**9(e) Evaluate how Sound as a Pound Ltd can motivate its workforce. [8]**

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**10. Wilson McGregor PLC is a construction company specialising in building new homes in the UK.**

**The business needs to set itself SMART objectives to measure performance.**

**(a) Compose a possible SMART objective for Wilson McGregor PLC. [2]**

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**10(b) Name TWO legal responsibilities that Wilson McGregor PLC has to its employees. [2]**

**1.** \_\_\_\_\_

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**2.** \_\_\_\_\_

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**Opposite is the profit and loss account for Wilson McGregor PLC for 2016 to 2018.**

	2016	2017	2018
<b>Sales revenue</b>	£45 000 000	£50 000 000	£70 000 000
<b>Cost of sales</b>	£36 000 000	£38 000 000	£52 000 000
<b>Gross profit</b>	£9 000 000	£12 000 000	£18 000 000
<b>Gross profit margin (GPM)</b>		24%	26%
<b>Rent</b>	£1 000 000	£1 200 000	£1 600 000
<b>Business rates</b>	£500 000	£550 000	£700 000
<b>Wages</b>	£4 500 000	£6 000 000	£9 000 000
<b>Other expenses</b>	£1 000 000	£1 250 000	£1 700 000
<b>Total expenses</b>	£7 000 000	£9 000 000	£13 000 000
<b>Net profit</b>	£2 000 000	£3 000 000	
<b>Net profit margin (NPM)</b>	4%	6%	7%

**10(c)(i) State the formula for gross profit margin (GPM). Use the formula to calculate Wilson McGregor PLC's gross profit margin in 2016. [2]**

**Formula:**

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**Calculation:**

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**10(c)(ii) Calculate the net profit for Wilson McGregor PLC in 2018. [1]**

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**The sales process is very important to Wilson McGregor PLC to ensure it earns revenue.**

**10(d) Name ONE stage of the sales process. [1]**

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