



General Certificate of Secondary Education 2014

Business Studies

Unit 2

Business Development

[GBS21]



TIME

1 hour 40 minutes, plus your additional time allowance.

INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number in the spaces provided at the top of this page.

Write your answers in the spaces provided in this question paper.

Complete in blue or black ink only.

There should be enough space for your answers. If you do require more space, you may complete your answers on the extra lined pages at the back of this paper.

Answer **all three** questions.

INFORMATION FOR CANDIDATES

The total mark for this paper is 90.

Quality of written communication will be assessed in Questions 1(e) and 2(f).

Figures in brackets printed down the right-hand side of pages indicate the marks awarded to each question or part question.

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	Answer all three questions	Examiner Only Marks Remai	$\overline{}$
	Shades is a large, unisex hairdressing salon in Strabane.		
(a)	Shades needs to recruit an extra hairdresser. Each applicant for the post has to complete an Application Form. Explain one advantage and one disadvantage for Shades of using application forms.		
	Advantage		
	[2]		
	Disadvantage		
	[2]		
(b)	Some of the applicants will also be invited for interview. Explain two benefits for Shades of having interviews.		
	1		
	[2]		
	2		
	[2]		
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(c)	Both Shades and the applicants have certain responsibilities in the selection process. Discuss the following responsibilities.	Examin Marks	er Only Remark
	Honesty		
	Objectivity		
	Fairness		
	Confidentiality		
	[8]		
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(d)	The new hairdresser will receive training in the salon. Write down and describe this type of training and give two reasons why it is suitable for Shades to use.	Examir Marks	Remark
	Type:		
	Description:		
	[6	a	
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(e)	Appraisal is carried out each year in Shades. Explain three benefits of appraisal for Shades as an employer.	Examine Marks	r Only Remark
	1		
	[2]		
	2		
	[2]	1	
	3		
	[2]	ı	
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(f)	Write down and explain two reasons why motivation of the employees in Shades is important.	Examine Marks	er Only Remark
	1		
	[3] 2		
	[3]		
		Total Qu	estion 1
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			F	0
2		hton Ltd (Belfast) is a successful company which manufactures ocolate and confectionery.	Examine Marks	er Only Remark
	(a)	Ashton Ltd is described as successful. Explain two signs of success you would expect to find in this company.		
		1		
		[2]		
		2		
		[2]		
			[Tur	n over
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	/I \			Examine	on Onder
l ((b)	Discuss three factors which could limit the growth of Ashton Ltd.		Marks	Remark
		1			
			[2]		
		2			
		-			
			_ [2]		
		3			
		3			
			_ [2]		
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(d) The Competition Commission is interested in the planned merger. Describe the role of the Competition Commission. [4]	(c)	Ashton Ltd is considering a merger with another successful chocol manufacturer. Describe a merger and analyse two disadvantages merger would have for Ashton Ltd.		Examine Marks	er Only Remark
(d) The Competition Commission is interested in the planned merger. Describe the role of the Competition Commission. [4]			<u> </u>		
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Describe the role of the Competition Commission.			— _ [6]		
[Turn over	(d)				
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(e)	It is planned that the new company would sell its products to other countries as well as on the home market. Explain how this	Examin Marks	er Only Remark
	international trade would affect the following areas of its marketing mix.		
	Product		
	Price		
	Promotion		
	Place		
	[8]		
	[0]		
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(f)	Discuss three ways in which e-commerce might support Ashton Ltd's international business.	Examiner Only Marks Remark
	1	
	[2]	
	2	
	[2]	
	3	
	[2]	
		Total Question 2
		[Turn over
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	ne Bookworm is a retail shop selling books and magazines in arrickfergus. The shop is owned and managed by Carolyn.		Examine Marks	er Only Remark
(a)	Carolyn sometimes has difficulty in maintaining a good cash flow. Explain the meaning of "cash flow".			
		 _ [2]		
(b)	Explain two reasons why cash flow is important in business.			
		_ [4]		
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(d) The table below lists four costs which The Bookworm has to pay. In the column beside each cost, write down if it is a fixed cost or a variable cost. COST TYPE Postage Rent Purchases Rates [4] (e) Explain one reason why it is important for Carolyn to know the Breakeven Point in The Bookworm.		Describe one way in which The Bookworm.	Carolyn might improve the cash flow in	Examiner C Marks Re
(d) The table below lists four costs which The Bookworm has to pay. In the column beside each cost, write down if it is a fixed cost or a variable cost. COST TYPE Postage Rent Purchases Rates [4] (e) Explain one reason why it is important for Carolyn to know the Breakeven Point in The Bookworm.				_
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Postage Rent Purchases Rates [4] (e) Explain one reason why it is important for Carolyn to know the Breakeven Point in The Bookworm.	(d)	In the column beside each of		
Rent Purchases Rates [4] (e) Explain one reason why it is important for Carolyn to know the Breakeven Point in The Bookworm. [2]		COST	TYPE	
Purchases Rates [4] (e) Explain one reason why it is important for Carolyn to know the Breakeven Point in The Bookworm. [2]		Postage		
(e) Explain one reason why it is important for Carolyn to know the Breakeven Point in The Bookworm. [2]		Rent		
(e) Explain one reason why it is important for Carolyn to know the Breakeven Point in The Bookworm. [4]		Purchases		
(e) Explain one reason why it is important for Carolyn to know the Breakeven Point in The Bookworm.		Rates		
[Turn o	(e)			
[Turn e				_ _ [2]
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	The Bookworm: Total fixed costs are: Variable costs are £2		
	Each book sells on a	verage at £10	
	Complete the spaces breakeven point in Th	in the following formula to calculate the e Bookworm.	
	Breakeven =	Total Fixed Costs Selling Price per book – Variable Cost per book	
	Breakeven =		
	Breakeven =		
	Explain the meaning o	of "Margin of Safety".	
(g) E			
(g) E			
(g) [
(g) [[2]	
(g) E			

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(h)	On average, Carolyn sells 550 books per month in The Bookworm. Using this information, calculate the Margin of Safety in The Bookworm. Discuss how the business is performing.	Examin Marks	er Only Remark
	[4]		
		Total Qu	estion 3
			n over
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