

General Certificate of Secondary Education 2014

Business Studies

Unit 2

Business Development



[GBS21]

GBS21

MONDAY 2 JUNE, MORNING

TIME

1 hour 40 minutes.

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. Do not write in pencil or with a gel pen.

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		Examin Marks	er Or Ren
	Shades is a large, unisex hairdressing salon in Strabane.			
(a)	Shades needs to recruit an extra hairdresser. Each applicant for the post is required to complete an Application Form. Explain one advantage and one disadvantage for Shades of using application forms.			
	Advantage	_		
		_		
		[2]		
	Disadvantage	_		
		_		
		[2]		
	<u></u> -	[4]		
(b)	Some of the applicants will also be invited for interview. Explain two benefits for Shades of conducting interviews.	[2]		
(b)	Some of the applicants will also be invited for interview. Explain two	_		
(b)	Some of the applicants will also be invited for interview. Explain two benefits for Shades of conducting interviews.	_		
(b)	Some of the applicants will also be invited for interview. Explain two benefits for Shades of conducting interviews. 1	_ _ _ _ [2]		
(b)	Some of the applicants will also be invited for interview. Explain two benefits for Shades of conducting interviews. 1	_		
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Both Shades and the applicants have certain responsibilities in the selection process. Discuss the following responsibilities.		Examin Marks	er Only Remark
Honesty			
	_		
	_		
	_		
Fairness	_		
	_		
	_		
	 [8]		
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	Selection process. Discuss the following responsibilities. Honesty Objectivity Fairness Confidentiality	Selection process. Discuss the following responsibilities. Honesty Objectivity Fairness Confidentiality	selection process. Discuss the following responsibilities. Honesty Objectivity Fairness Confidentiality [8]

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describe this type of training and state two reasons why it is suitable for Shades to use.	Mark	S
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(e)	Appraisal is undertaken each year in Shades. Explain three benefits which appraisal would have for Shades as an employer.	Examine Marks	er Only Remark
	1		
	[2]		
	2		
	[2] 3		
	[2]		
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(f)	Identify and explain two reasons why motivation among the employees in Shades is important.		Examir Marks	er Only Remark
	1			
	2			
		[3]		
			Total Qu	estion 1
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				Examin	or Only	
2		hton Ltd (Belfast) is a successful company which manufactures ocolate and confectionery.		Marks	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	-			
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		[2	2]			
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(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.	ate a	Examiner Only Marks Remark
		_ [6]	
(d)	The Competition Commission is interested in the planned merger. Describe the role of the Competition Commission.		
		 _ [4]	
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countries as well as on the home market. Explain how international trade would affect the following aspects of its marketing mix.	
Product	
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Place	
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[8]	

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(f)	Discuss three ways in which e-commerce might support Ashton Ltd's international business.		Examine ⁄larks	r Only Remark
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	2			
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			Examiner	On
	e Bookworm is a retail shop selling books and magazines in rrickfergus. The shop is owned and managed by Carolyn.		Marks R	Rem
(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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			[2]
-		r costs which are incurred in The Bookworm ch cost, state whether it is a fixed cost or a	n.
	COST	ТҮРЕ	
	Postage		
	Rent		
	Purchases		
	i ulcilases		
	Rates		[4]
	Rates	it is important for Carolyn to know the	[4]
	Rates Explain one reason why	it is important for Carolyn to know the Bookworm.	_
	Rates Explain one reason why	it is important for Carolyn to know the Bookworm.	[4] - - [2]
	Rates Explain one reason why	it is important for Carolyn to know the Bookworm.	_
	Rates Explain one reason why	it is important for Carolyn to know the Bookworm.	_
	Rates Explain one reason why	it is important for Carolyn to know the Bookworm.	_



(f)	The following information is taken from the accounts of The Bookworm: Total fixed costs are £4,000 per month Variable costs are £2 per book Each book sells on average at £10	Examiner Only Marks Remark
	Complete the spaces in the following formula to calculate the breakeven point in The Bookworm. Total Fixed Costs	
	Breakeven = Selling Price per book – Variable Cost per book Breakeven =	
	Breakeven =	
	[2]	
(g)	Explain the meaning of "Margin of Safety".	
	[2]	
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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 and comment on how the business is performing.		Examin Marks	er Only Remark
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		_		
		_ _ [4]		
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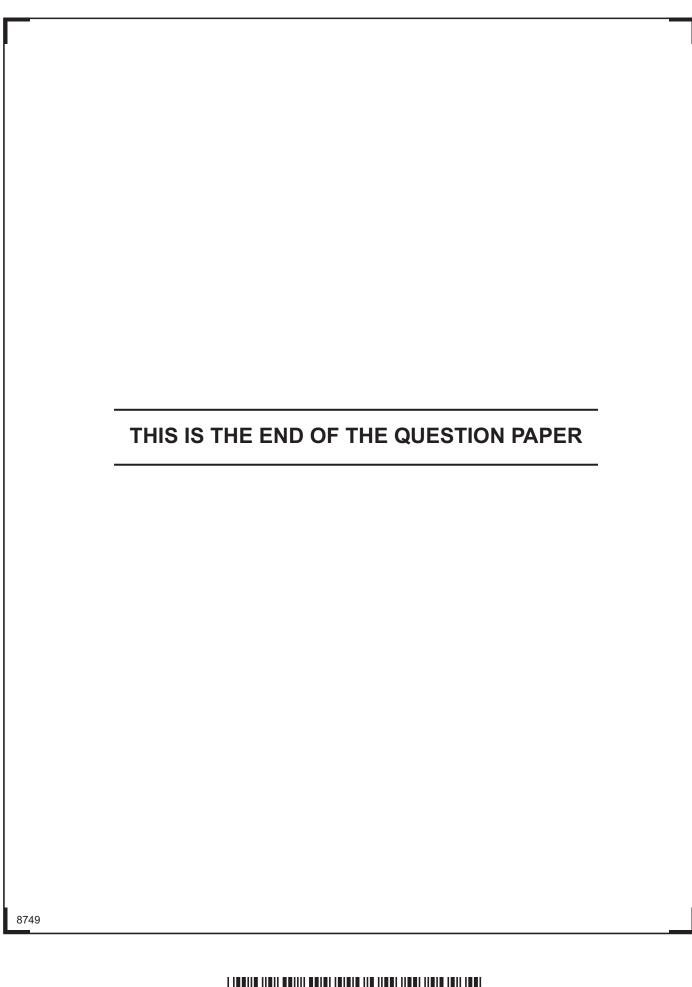
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Question Number	Marks	
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Total Marks

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8749/3

