

Centre Number						Candidate Number				
Surname										
Other Names										
Candidate Signature										

For Examiner's Use	
Examiner's Initials	
Question	Mark
1	
2	
3	
TOTAL	



General Certificate of Secondary Education
June 2015

Business Studies

413001

Unit 1 Setting up a Business

Wednesday 20 May 2015 9.00 am to 10.00 am

You will need no other materials.
You may use a calculator.

Time allowed

- 1 hour

Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions.
- You must answer the questions in the spaces provided. Do not write outside the box around each page or on blank pages.
- Do all rough work in this 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 60.
- You are reminded of the need for good English and clear presentation in your answers. Quality of Written Communication will be assessed in questions 1(d), 2(d) and 3(c).



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413001

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

Total for this question: 21 marks

1 Read **Item A** and then answer the questions that follow.

Item A

Field Fresh

Jenna lives with her family on a fruit and vegetable farm which her father has run for many years. The farm sells its produce to shops and restaurants. Earlier this year, Jenna decided to use an empty building on the farm and start her own business, as a sole trader. She set up a shop selling organic produce from the farm direct to local customers. The best-selling item is a bag of mixed vegetables for soups and stews.

Jenna does not have a lot of money to spend on marketing for her shop. She advertises by delivering leaflets to local households in the nearby villages. Most of her customers come from these villages.

Some of Jenna's customers have enquired about a weekly delivery service of a box of organic fruit and vegetables. She is considering if this would be a good idea for her business.



Source: photograph, Thinkstock by Getty



1 (a) Explain **one** possible business objective that would be suitable for a start-up business like Jenna's. **[2 marks]**

1 (b) Explain **one** advantage and **one** disadvantage to Jenna of using leaflets to advertise her business. **[4 marks]**

Advantage _____

Extra space _____

Disadvantage _____

Extra space _____



Turn over for the next question

**DO NOT WRITE ON THIS PAGE
ANSWER IN THE SPACES PROVIDED**



Turn over ►

Total for this question: 21 marks**2** Read **Item B** and then answer the questions that follow.**Item B****Out & About Ltd**

Out & About Ltd is a small family-run business. It was set up three years ago and is located in the south of England. It makes a range of products suitable for a variety of outdoor activities, such as camping and hillwalking.

Out & About Ltd has a small factory and two shops. It also sells products all year round by mail order through its catalogue and distributes the orders by post. Out & About Ltd currently employs a total of 15 workers with some being employed on a part-time basis. The part-time jobs are popular with the workers and allow the company some flexibility when camping sales are high in the summer. The full-time workers, however, tend to stay with the firm for much longer.

Sales and profits have been on the increase in the past few years. Out & About Ltd hopes to continue this by selling overseas to customers using the internet. With this aim, the company knows it needs to develop and improve its existing website so customers can order on line. It will need to find some extra finance to fund this new idea and is also looking for some advice about the decision to sell its products overseas.



Source: photograph, Thinkstock by Getty



2 (a) State **two** possible risks for Out & About Ltd if it sells its products overseas. **[2 marks]**

Risk 1 _____

Risk 2 _____

2 (b) Explain **two** sources of finance that would be suitable for Out & About Ltd to fund its expansion overseas. **[6 marks]**

Source 1 _____

Extra space _____

Source 2 _____

Extra space _____



2 (c) Explain how Out & About Ltd could use its new website to help improve its customer service.

[4 marks]

Extra space

2 (d) Out & About Ltd expects that its new website will increase its sales. To cope with this rise in demand it will have to recruit some new workers, both in the factory and in the shops.

Advise Out & About Ltd whether these new members of staff should be employed full-time or part-time. Give reasons for your advice.

[9 marks]



Total for this question: 18 marks**3** Read **Item C** and then answer the questions that follow.

Item C
The Coffee Pot

The Coffee Pot is a small coffee shop which sells a selection of drinks and homemade snacks such as sandwiches, cakes and pastries. These are all made in the shop by three loyal members of staff who use high quality, locally sourced ingredients.

The Coffee Pot is located in a very busy small tourist town called Hasley, which is three miles away from a famous castle. The business has been trading very successfully for 10 years. It has many regular customers, despite charging high prices. However, the premises are old. A recent health and safety inspection found that The Coffee Pot needs to replace the uneven floor in the kitchen. This will cost the business £5000.

A short time ago, Starbean, a well-known competitor, moved into an empty building very near to The Coffee Pot. Helen, the owner of The Coffee Pot, has seen a significant drop in The Coffee Pot sales since Starbean opened. Starbean is open from 7.00 am until 7.00 pm every day and, so far, has been very successful in attracting both local customers and tourists, who recognise the brand name.

Helen is thinking about changing location. A craft centre has been open for a year and is becoming very popular with tourists during the summer months. It is located next to the castle. The craft centre has many small shops selling souvenirs and other locally produced items to the tourists who visit the castle.



Source: photograph, Getty Images



3 (a) Explain the benefits to The Coffee Pot of using high quality ingredients. **[4 marks]**

Extra space _____

3 (b) Explain how replacing the kitchen floor in order to meet health and safety standards will affect The Coffee Pot. **[5 marks]**



There are no questions printed on this page

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