Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number | Candidate Number

Pearson Edexcel Level 1/Level 2 GCSE (9–1)

Wednesday 5 June 2024

Afternoon (Time: 1 hour 45 minutes)

Paper reference **1BS0/02**

Business

PAPER 2: Building a business

You must have:
Source Booklet (enclosed)

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- There are **three** sections in this paper.
- Answer **all** the questions in the spaces provided – *there may be more space than you need.*
- Calculators may be used.
- You are advised to **show all your working out** with **your answer clearly identified** at the **end of your solution**.

Information

- The total mark for this paper is 90.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*

Advice

- Read each question carefully before you start to answer it.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over

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SECTION A

Answer ALL questions. Write your answers in the spaces provided.

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

1 (a) Which **one** of the following is an element of the design mix?

(1)

Select **one** answer.

☐ **A** Aesthetics

☐ **B** Extension

☐ **C** Packaging

☐ **D** Production

(b) Which **one** of the following is the best definition of a trade bloc?

(1)

Select **one** answer.

☐ **A** A group of countries that trade freely between themselves

☐ **B** A problem involving suppliers not delivering raw materials

☐ **C** A tariff on exported goods and services

☐ **D** A tariff on imported goods and services

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(c) Explain **one** reason why a business may increase its product range.

(3)

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(d) Explain **one** advantage to a business of using just in time (JIT) stock control.

(3)

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(Total for Question 1 = 8 marks)

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2 (a) Which **two** of the following documents would be sent to a business by a person when applying for a job?

(2)

Select **two** answers.

- ☒ **A** Application form
- ☒ **B** Curriculum vitae (CV)
- ☒ **C** Job description
- ☒ **D** Performance review
- ☒ **E** Person specification

(b) Which **two** of the following are stages in the sales process?

(2)

Select **two** answers.

- ☒ **A** Customer engagement
- ☒ **B** Longer opening hours
- ☒ **C** Market data
- ☒ **D** Product knowledge
- ☒ **E** Product promotion

Table 1 contains information about a machine that a business is considering purchasing.

Total profit from the machine	£500 000
Length of time the business will own the machine	5 years
Cost of the machine	£200 000

Table 1

(c) Using the information in Table 1, calculate the average rate of return for the machine.

(2)

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(d) Explain **one** method a business could use to improve the quality of its products.

(3)

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(e) Explain **one** disadvantage to a business of having a flat organisational structure.

(3)

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(Total for Question 2 = 12 marks)

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3 (a) Which **one** of the following elements of the marketing mix relates to the distribution of a product to the consumer?

(1)

Select **one** answer.

☒ **A** Place

☒ **B** Price

☒ **C** Product

☒ **D** Promotion

Figure 1 shows the bar gate stock graph for a business in June 2023. A and B represent deliveries of stock to the business.

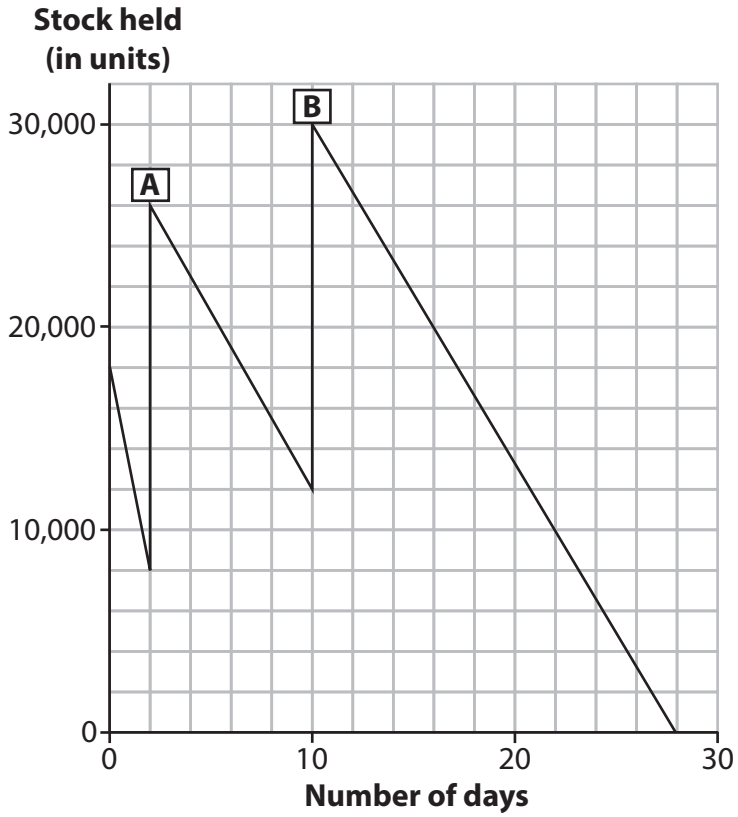

Figure 1

(b) Using the information in Figure 1, calculate how many days it took for the business to run out of stock after receiving its last delivery in June 2023.

(2)

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(c) Explain **one** reason why a business may use sponsorship to promote a product.

(3)

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(d) Explain **one** disadvantage to a business of using remote working.

(3)

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(e) Discuss the benefit to a business from reducing its environmental impact.

(6)

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(Total for Question 3 = 15 marks)

TOTAL FOR SECTION A = 35 MARKS

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SECTION B

Answer ALL questions. Write your answers in the spaces provided.

In the Source Booklet, look at Figure 2 and read Extract A, then answer Questions 4, 5 and 6.

4 (a) Outline **one** method of internal growth that *Popeyes* could use.

(2)

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(b) Analyse the importance to *Popeyes* of differentiating its products.

(6)

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(Total for Question 4 = 8 marks)

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5 Table 2 shows the price of items in an order placed by a customer at *Popeyes*.

Item	**Price (£)**
Chicken sandwich	6.50
Chicken wings	6.25
Original biscuit	1.00
Mac and cheese	3.50
Coca-Cola classic	2.75

Table 2

(a) Using the information in Table 2, calculate the average price of the items ordered by the customer.

(2)

£.....

(b) Using the information in Table 2, calculate, to 2 decimal places, the percentage of the total order spent on Chicken wings.

(2)

.....%

(c) Analyse the drawback to *Popeyes* from trying to improve productivity.

(6)

(Total for Question 5 = 10 marks)

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6 (a) State **one** example of stock that *Popeyes* is likely to purchase from a supplier.

(1)

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(b) Outline **one** benefit to *Popeyes* from having a good relationship with its suppliers.

(2)

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In order to help increase the profit made by the Stratford branch of *Popeyes*, the manager is considering the following two options:

Option 1: employ workers on flexible hours

Option 2: employ workers full-time.

(c) Justify which **one** of these two options *Popeyes* should choose.

(9)

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(Total for Question 6 = 12 marks)

TOTAL FOR SECTION B = 30 MARKS

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SECTION C

Answer ALL questions. Write your answers in the spaces provided.

In the Source Booklet, look at Figure 3 and read Extract B, then answer Question 7.

7 (a) Give **one** non-financial method to motivate employees in a business.

(1)

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Figure 4 shows the UK market share of the four largest cinema chains in 2016 and 2019.

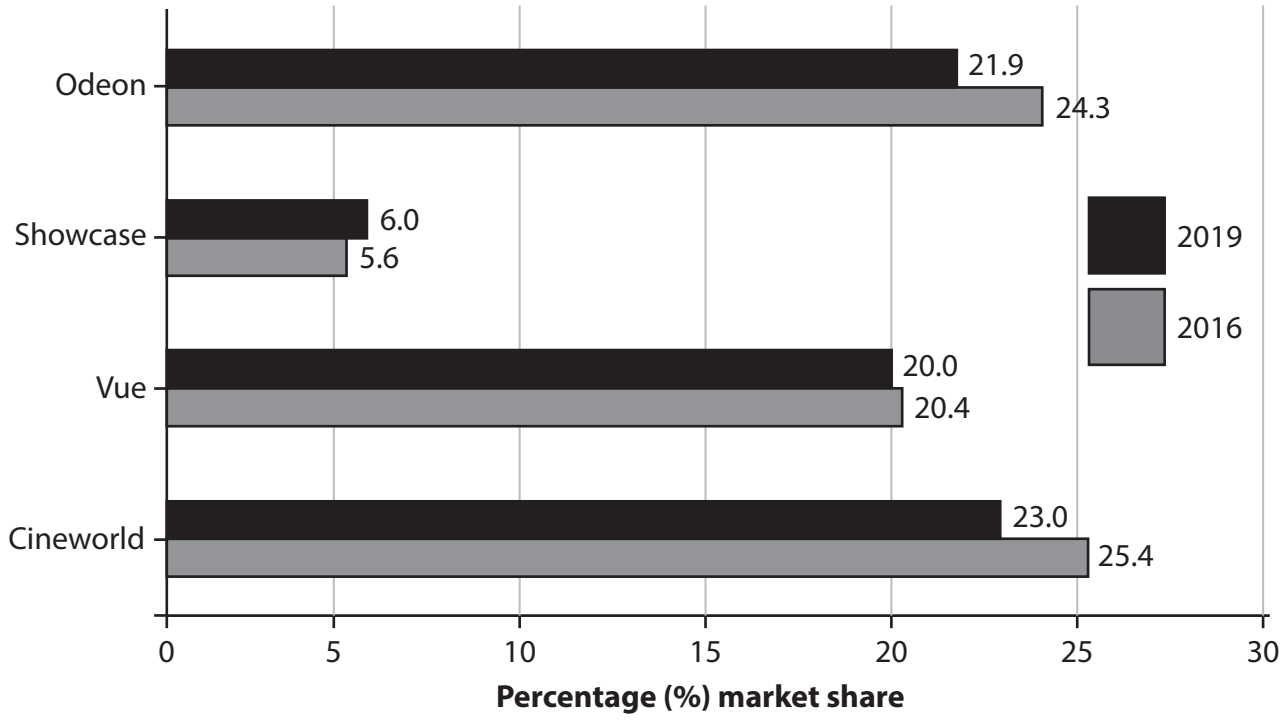

Figure 4

(Source: https://www.bfi.org.uk/industry-data-insights/statistical-yearbook 2017 and 2020)

(b) Using the information in Figure 4, identify the only cinema chain that increased its market share in 2019.

(1)

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(c) Outline **one** likely responsibility for a manager of a *Cineworld* cinema.

(2)

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In order to cover its loan repayments, *Cineworld* plc is considering the following two options:

Option 1: selling assets

Option 2: issue new share capital.

(d) Justify which **one** of these two options *Cineworld* plc should choose.

(9)

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(e) Evaluate the importance of charging lower prices to allow *Cineworld* to return to profit. You should use the information provided as well as your knowledge of business.

(12)

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(Total for Question 7 = 25 marks)

TOTAL FOR SECTION C = 25 MARKS
TOTAL FOR PAPER = 90 MARKS

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Pearson Edexcel Level 1/Level 2 GCSE (9–1)

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PAPER 2: Building a business

Source Booklet
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SECTION B

Look at Figure 2 and read Extract A, then answer Questions 4, 5 and 6.

Extract A

Popeyes is an American fried chicken fast-food chain. It is well known for its Louisiana style fried chicken that is marinated overnight in a mix of spices. As well as traditional chicken sandwiches and chicken wings, *Popeyes* has unusual items on its menu such as American style biscuits and Cajun gravy. The success of its restaurants has surprised the company. To meet the high level of demand for its fried chicken, *Popeyes* had to redesign the layout of its kitchens and serving areas and re-train employees. Since opening in 2021, its Stratford restaurant in London has become *Popeyes'* best performing outlet in the world, often with queues of between 50 to 100 people waiting outside.

(Source: © Nigel J. Harris/Shutterstock)

Figure 2

However, *Popeyes* is not the only American fast-food chain that has found the UK attractive. Wendy's, Shake Shack and Wingstop have all entered the UK market since 2018. Together with established chains, such as KFC and Burger King, this has made the UK fast-food market highly competitive. This has created problems for restaurant managers since they are struggling to find enough trained employees in places such as London and Birmingham. Skilled chefs and kitchen staff are in high demand, which has led to higher wage rates.

(Source: adapted from © Telegraph Media Group Limited 2022 / 2023)

SECTION C

Look at Figure 3 and read Extract B, then answer Question 7.

Extract B

Cineworld plc is the UK's largest cinema chain. It owns 127 multi-screen cinemas in a variety of city centre and out of town locations. Several sites have 4DX screens, which have seats that move 'in sync' with what is happening in the movie.

In 2019, *Cineworld* had accumulated £2.3 billion of debt due to rapid external growth. Due to the global health crisis in 2020, the government forced a shut-down of all cinemas. Since re-opening in 2021, ticket sales at *Cineworld* cinemas have been low. The blockbuster movies that normally attract people to the cinema, such as 'Spider-Man: No Way Home', have been lacking in number and quality. Home streaming services, such as Apple TV and Netflix, have made visiting the cinema less attractive.

These factors led to *Cineworld* making a £537 million loss in 2022, leaving the company close to failure. The *Cineworld* share price has fallen from over £3 in 2019 to less than 2p in 2023. The company needs cash to cover its loan repayments.

(Source: Chaz Bharj / Alamy Stock Photo)

Figure 3

Rival cinema companies, such as Vue, have encountered similar problems and have reduced the price of a ticket to £6.99 to attract people back to watching movies at the cinema. However, *Cineworld* has so far refused to do this. It still charges £18.69 for its most expensive tickets.

(Source: adapted from © Telegraph Media Group Limited 2022 / 2023)

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