Oxford Cambridge and RSA

Friday 9 May 2025 – Afternoon

GCSE (9–1) Business

J204/01 Business 1: business activity, marketing and people

Time allowed: 1 hour 30 minutes

You can use:
- a calculator

Please write clearly in black ink. **Do not write in the barcodes.**

Centre number | | | | | | Candidate number | | | | |

First name(s) _____

Last name _____

INSTRUCTIONS
- Use black ink.
- Write your answer to each question in the space provided. You can use extra paper if you need to, but you must clearly show your candidate number, the centre number and the question numbers.
- Answer **all** the questions.

INFORMATION
- The total mark for this paper is **80**.
- The marks for each question are shown in brackets **[ ]**.
- Quality of extended response will be assessed in questions marked with an asterisk (*).
- This document has **20** pages.

ADVICE
- Read each question carefully before you start your answer.

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Section A

1 Which option contains two secondary sources of market research?

A Focus groups and websites

B Internal data and newspapers

C Magazines and questionnaires

D Place and product

Your answer ☐ **[1]**

2 A young entrepreneur has decided to start up their own café.

The quality of communication will be important for this business because:

A all communications will be internal

B all of its employees will be new

C it will need to operate without risk

D it will use digital distribution channels

Your answer ☐ **[1]**

3 Two bakeries have different objectives.

What is a likely reason for this?

A Both bakeries use market segmentation

B It is illegal for food producers to set identical objectives

C One bakery makes bread and the other makes cakes

D The same entrepreneur owns both bakeries

Your answer ☐ **[1]**

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4 An inventor is trying to develop a robot that can remove clothes from a washing machine and iron them. The inventor continues to try out new designs despite frequent setbacks.

Which entrepreneurial characteristic is the inventor showing?

A Delegation

B Determination

C Leadership

D Risk avoidance

Your answer ☐ **[1]**

5 What is **not** a likely advantage of improving the human resources function in a business?

A Better training opportunities

B Greater use of trialling

C Higher levels of employee motivation

D More staff development

Your answer ☐ **[1]**

6 A small garage sells low-priced second-hand cars.

Which market segment is the garage **most** likely to target?

A Cycling enthusiasts

B High earners with luxurious lifestyles

C Local residents with low incomes

D Teenagers from across the country

Your answer ☐ **[1]**

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7 What is a form of staff development?

A A job description

B A person specification

C An apprenticeship

D An award scheme

Your answer ☐ **[1]**

8 A fancy dress shop operates as a partnership. Its four partners have produced a business plan outlining their aim to grow the business.

The business plan will be useful to the partners because it will:

A help identify new costume suppliers and suitable markets

B help raise finance by persuading new investors to buy shares

C include an estimate of the dividends payable to shareholders

D include photographs of all their current fancy dress costumes

Your answer ☐ **[1]**

9 A toy manufacturer wants to improve the way the business promotes itself. So far, it has been unable to do so due to a skills gap.

Which option would fix this problem?

A Advertise for more production workers so that more toys can be made

B Encourage the most innovative toy designers to apply for new roles

C Order better raw materials to improve the quality of the toys

D Recruit a marketing specialist with experience in the toy industry

Your answer ☐ **[1]**

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10 SP Engineering plc makes gearboxes for tractors. Market data for tractor gearboxes are shown in the table.

Year	UK sales of tractor gearboxes by SP Engineering plc (million)	Total UK market for tractor gearboxes (million)
2021	1.5	5
2022	1.6	6
2023	1.8	8
2024	2.1	10

The data shows that SP Engineering plc is:

A earning more profit year on year

B experiencing external growth

C losing market share

D operating in a declining market

Your answer ☐ **[1]**

11 A business whose main objective is 'growth' is likely to be:

A considering reducing the size of its workforce

B having difficulty keeping up with demand

C struggling to stay in existence

D trying to gain new customers

Your answer ☐ **[1]**

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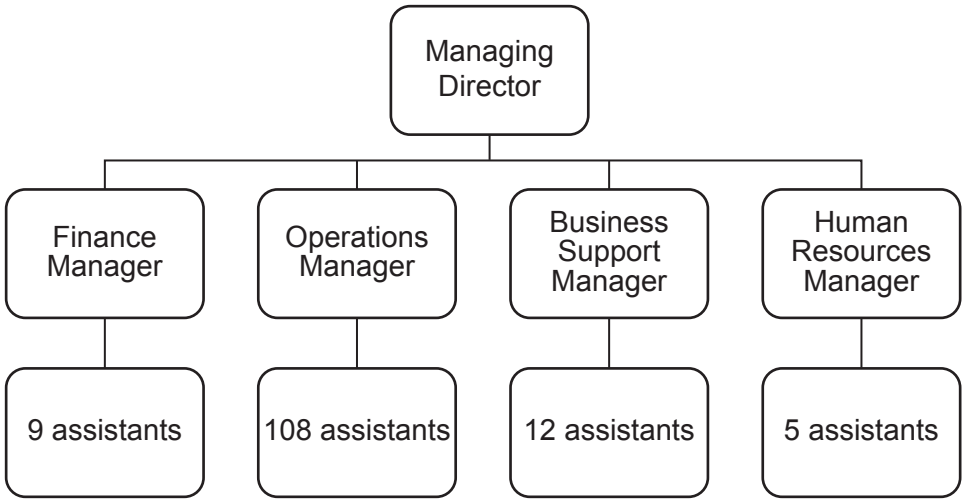
12 The organisation chart of a company is shown.



What is the span of control of the Managing Director?

A 4

B 8

C 134

D 138

Your answer ☐ **[1]**

13 A burger bar is running a children's colouring competition. Young consumers can colour the paper placemat on their tray in the hope of winning a free ice cream.

This is an example of:

A a free sample

B a loss leader

C a point of sale promotion

D advertising

Your answer ☐ **[1]**

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14 An ‘established business’ is a business that:

A has a good reputation

B has been operating for a long time

C is enterprising and creative

D is owned by more than one person

Your answer ☐ **[1]**

15 An e-book publisher is deciding on a marketing mix for its latest title.

The marketing mix for this e-book is likely to include:

A a range of physical distribution channels

B advertising that recommends similar titles produced by competitors

C promotional material that highlights the e-book’s unique content

D the use of census data to estimate demand

Your answer ☐ **[1]**

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Section B

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Text 1

Lidl Ltd

Adapted from uk.linkedin.com/company/lidl-gb and www.google.com/search?q=how+many+new+stores+did+lidl+open+in+the+uk+in+2023&rlz=1C1GCEO_. Item removed due to third party copyright restrictions.

(a) Explain **one** purpose of planning business activity.

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(b) Explain **three** advantages for Lidl of operating as a private limited company.

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[6]

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(c) Analyse **one** likely reason why Lidl expands by using organic growth.

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(d)

(i) Other than pay, identify **two** financial methods of motivation.

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(ii) Evaluate whether Lidl should continue to pay employees a higher wage rate than competitors.

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Text 2

Denby Pottery Company Ltd (Denby)

Adapted from www.denbypottery.com/all-about-denby?srsltid=AfmBOoqCmocamsMH7YokKTzrUcPD76_Yb_lZHqS-OTu8re8Rckdj-bKS and rocketreach.co/denby-pottery-company-ltd-profihttps://nohat.cc/f/common-daisy-clip-art-flower-clip-art/6481725316136960-201812162124.htmlle_b5d7965

(a) State **two** methods of selecting new employees.

1 .....

2 .....

[2]

(b) Explain **three** reasons why Denby trains its production employees.

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(c) Analyse **one** advantage for Denby of using price skimming.

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(d)
(i) Analyse **one** impact on Denby of a shareholder objective.

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(ii) Analyse **one** impact on Denby of a customer objective.

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(iii) Recommend whether Denby should focus more on the objectives of shareholders **or** the objectives of customers. Give a reason for your answer.

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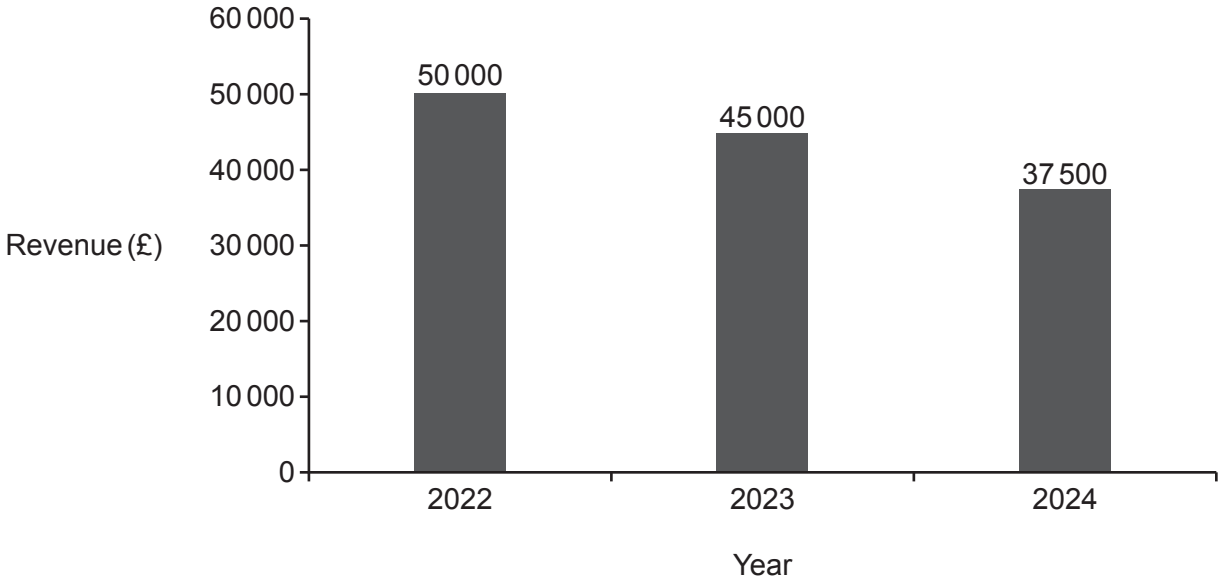
Text 3

Shropshire Fruit Farm

Shropshire Fruit Farm (SFF) grows strawberries at its farm in the West Midlands. SFF is owned by business partners Mei and Felix. The strawberries are picked by temporary employees and sold to supermarkets and convenience stores.

Some of the temporary employees have a full-time contract and others have a part-time contract. This does mean that Mei and Felix find it difficult to plan operations, as employees work different numbers of hours on different days. Employee retention is also a challenge, as employees often leave the business for permanent jobs.

Demand for strawberries has decreased over the past three years and this has affected SFF's revenue (see graph below). Felix suggests they should use market research to help plan for the future. However, Mei is concerned that, as profits have fallen by 45% over the past three years, any extra expenditure on market research would be wasteful.



(a) Identify **one** way of communicating in a business.

..... **[1]**

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(b) Analyse **two** advantages for SFF of employee retention.

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(c) Mei and Felix have been reviewing the balance of full-time and part-time employees at SFF.

(i) Analyse **one** advantage for SFF of recruiting each type of employee.

Full-time employees

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Part-time employees

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(ii) Recommend whether it is best for SFF to recruit full-time **or** part time employees. Give a reason for your answer.

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(d)* Evaluate, using the data in **Text 3**, whether or not SFF should use market research to help plan for the future.

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END OF QUESTION PAPER

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