Oxford Cambridge and RSA

Tuesday 14 May 2024 – 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. If you need extra space use the lined pages at the end of this booklet. The question numbers must be clearly shown.
- 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 What is a disadvantage of being a sole trader?

A Can only have one employee

B Cannot share business ownership

C Legally required to produce a business plan

D Must pay corporation tax

Your answer ☐ **[1]**

2 What is a financial method of motivation that a restaurant manager may use?

A An award scheme for the chefs to develop low cost meals

B Introduce profit sharing for the chefs

C Make staff pay for any glasses or plates they break

D Praise staff who suggest how the restaurant could save money

Your answer ☐ **[1]**

3 What is a benefit to the local community of a nearby carpet factory extending its operating hours?

A A wider choice of carpet designs will be available

B Increased road congestion from more lorries delivering textiles

C More job opportunities will be created

D The business will pay higher taxes

Your answer ☐ **[1]**

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4 What is one of the 'four Ps' of the marketing mix?

A Penetration

B Place

C Planning

D Profit

Your answer ☐ **[1]**

5 A clothing designer may choose to flatten its organisational structure to reduce the:

A creativity of its garment designers

B independence of its fabric buyers

C need for innovation and change

D time it takes to respond to changes in fashion

Your answer ☐ **[1]**

6 Two brothers are currently unemployed. They decide to set up their own window cleaning business, trading as a partnership.

What is an entrepreneurial risk for the brothers?

A Cold weather

B Paying taxes

C Poor health

D Slippery ladders

Your answer ☐ **[1]**

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7 What is **not** a benefit to a golfing equipment retailer of training its sales assistants?

A To help staff give advice on which golf clubs to buy

B To increase the sales of golf umbrellas and waterproof clothing

C To motivate staff to assist customers who are trying on golf shoes

D To reduce the time it takes to make golf bags and golf trolleys

Your answer ☐ **[1]**

8 One purpose of marketing at a library is to:

A advertise for an apprentice librarian

B encourage more families to use the library

C provide better training for librarians

D update the library's stock of books

Your answer ☐ **[1]**

9 A business has recently changed its main objective from 'survival' to 'growth'.

What would **most** likely explain this change of objective?

A The business has become too big

B The business has reduced its productivity

C The business is experiencing high demand

D The business needs to lower its costs

Your answer ☐ **[1]**

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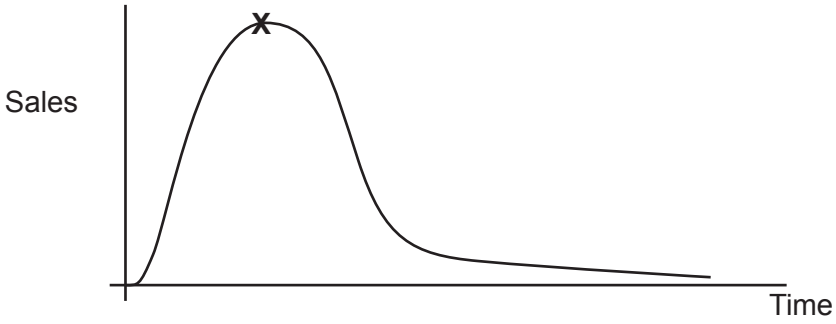
10 The current position of a product is shown by **X** on the product lifecycle diagram.



According to the diagram:

A sales grew rapidly but the product is now in maturity

B sales grew slowly but the product is now in decline

C the product continues to be highly profitable

D the product is experiencing a rapid decline

Your answer ☐ **[1]**

11 What is a benefit to a patient of receiving communication from their hospital doctor by email rather than by letter?

A Doctors receive confirmation of receipt when the email is opened

B Emails can contain hyperlinks to further information about treatments

C Emails save money by reducing stationery, printing, and postal costs

D Multiple medical appointments can be sent out at the same time

Your answer ☐ **[1]**

12 What impacts are a customer boycott **most** likely to have on a business?

A External growth, reduced profit, increased dividends

B Fewer customers, reduced profit, increased market share

C Improved brand image, more customers, increased profit

D Worsened reputation, lower sales, reduced profit

Your answer ☐ **[1]**

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13 An independent toy business is seeing fewer potential customers visit its shop.

Which change to its marketing mix may help the business solve this problem?

A Introduce price skimming across the full range of toys

B Offer free superhero stickers and badges to all visitors

C Reduce the number of 'pre-school toy' loss leaders offered

D Use digital distribution channels for outdoor toys

Your answer ☐ **[1]**

14 Two vets agree to combine their practices and operate as one business.

This is an example of a:

A diversification

B horizontal takeover

C merger

D vertical takeover

Your answer ☐ **[1]**

15 A business with a tall organisational structure will have:

A a high market share

B lots of distribution channels

C multiple layers of authority

D short chains of command

Your answer ☐ **[1]**

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Section B

16

Text 1

J Sainsbury plc (Sainsbury's)

Sainsbury's is one of the UK's largest supermarket chains. Sainsbury's targets middle to high income customers nationally. Sainsbury's is owned by shareholders who have limited liability.

The supermarket industry is very competitive, and marketing promotions are important. An example is Sainsbury's price match against similar products sold by Aldi, one of its competitors. Sainsbury's also spends a large proportion of its marketing budget on television advertising.

Developing new products is important to remain competitive, as customers are always looking for something new. Sainsbury's uses market segmentation to support successful product development.

Sainsbury's managers believe that good food should be accessible to everyone. They use primary market research to ensure the business develops products that meet the needs of its customers.

(a) Explain **one** way that limited liability affects the owners of a company.

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(b) Explain **three** advantages for Sainsbury's of using television to advertise its products. **[6]**

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(c) Analyse **one** likely reason why Sainsbury's uses market segmentation when developing new products.

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(d)

(i) Identify **two** primary market research methods.

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(ii) Evaluate whether Sainsbury's should use primary or secondary market research methods in the future.

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Text 2

C & J Clark International Ltd (Clarks)

Clarks is a successful UK footwear brand with ranges for children, women, and men. Their market is very competitive. Clarks employs specialist designers who create new shoe styles in response to fast-changing fashion trends. The designers interpret quantitative data carefully when planning new shoe styles.

The designers work closely with employees from other functional areas of the business, such as marketing, finance, and retail, to ensure that the new shoe styles meet customers' needs profitably.

Clarks works hard to retain its team of designers, as they are central to its success. However, Clarks sometimes needs to recruit new designers and uses several selection methods to help find the best person available to fill the vacancy.

(a) State **two** aspects of employment law that may affect a business.

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[2]

(b) Analyse **one** advantage for Clarks of interpreting quantitative data when designing new products.

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(c) Explain **three** reasons why employee retention is important for Clarks.

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(d)
(i) Analyse **one** advantage for Clarks of using interviews to select new designers.

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(ii) Analyse **one** advantage for Clarks of using references to select new designers.

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(iii) Recommend whether using interviews **or** references is likely to be more effective for selecting new designers. Give a reason for your answer.

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Text 3

SJ Salon

SJ Salon is a hair salon owned by Sam and Jamila. The business partners met whilst studying hairdressing at college. The partners' creativity has helped make the salon very successful. SJ Salon is currently the only salon in town and uses cost-plus pricing.

Sam and Jamila are qualified hairdressers who work full-time in the salon. Until recently, the partners employed one part-time and one full-time worker who works 40 hours per week. However, due to increasing customer demand, two additional part-time employees have recently been recruited.

Sam and Jamila have just found out that a national hairdressing chain is planning to open a new salon in their town. They are concerned about the impact of this competition. The partners asked 200 current customers to complete a short questionnaire. The results show that:

- 130 of the customers have used SJ Salon since 2019
- 104 of the customers were aware of the national hairdressing chain
- 84 of the customers would consider trying the new hair salon, if its prices were cheaper
- 66 of the customers consider quality of service to be more important than price.

When SJ Salon was set up in 2014, Sam wrote a business plan. He has not written another one since then, as the business has been profitable. However, Sam now thinks that a new business plan should be written to help the business succeed against any new competition. Jamila disagrees, as the original business plan took Sam 30 hours to write. She feels that his time would be better spent keeping current customers satisfied.

(a) Creativity is one characteristic of an entrepreneur.

Identify **one** other characteristic of an entrepreneur.

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(b) Analyse **two** advantages for SJ Salon of using cost-plus pricing. **[6]**

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(c) Sam and Jamila want to improve communication with their employees now that the size of the workforce has increased. They are considering two methods:

- a weekly team meeting which all employees will be expected to attend
- a weekly email sent to all employees.

(i) Analyse **one** advantage for SJ Salon of each method of communication. **[6]**

Weekly team meeting

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Weekly email

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(ii) Recommend whether a weekly meeting **or** a weekly email would be the more appropriate method of communication for SJ Salon to use. Give a reason for your answer.

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(d)* Evaluate, using the data in **Text 3**, whether Sam should write a new business plan. **[9]**

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END OF QUESTION PAPER

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EXTRA ANSWER SPACE

If you need extra space use these lined pages. You must write the question numbers clearly in the margin.

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