



Rewarding Learning

General Certificate of Secondary Education
2019

Centre Number

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Candidate Number

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Business Studies

Unit 1

Starting a Business



[GBU11]

GBU11

FRIDAY 24 MAY, MORNING

TIME

1 hour 30 minutes.

INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number in the spaces provided at the top of this page.

You must answer the questions in the spaces provided.

Do not write outside the boxed area on each page or on blank pages.

Complete in black ink only. **Do not write with a gel pen.**

Answer **all three** questions.

INFORMATION FOR CANDIDATES

The total mark for this paper is 90.

Figures in brackets printed down the right-hand side of pages indicate the marks awarded to each question or part question.

Quality of written communication will be assessed in Questions **2(g) and 3(g)**.



1 (a) Explain the following terms:

Micro business	
	[2]
Private limited company	
	[2]
Stakeholder	
	[2]
Public sector	
	[2]

Emma wants to start her own business and has decided to open a small florist shop that will also sell handcrafted items.

(b) Explain **one** advantage and **one** disadvantage of setting up as a sole trader.

[4]

[Turn over



Emma will need business resources for her shop.

(c) Explain **two** business resources that Emma will need.

Business resource 1

[2]

Business resource 2

[2]



Emma has been trading for some time and wants to expand. She is thinking of taking on a partner and plans to move to bigger premises.

(d) Discuss **two** disadvantages for Emma of forming a partnership.

[4]

[Turn over



- (e) Explain **two** factors that might influence the choice of location for Emma's new premises.

Factor 1

[2]

Factor 2

[2]



(f) Explain the meaning of the term “social enterprise” and analyse how it delivers both economic and environmental outputs.

[illegible]

11914



20GBU1107

2 (a) Explain the term “secondary research”.

[2]

(b) Suggest the most suitable pricing policy for the following:

Situation	Pricing policy
Apple is launching a new phone	[1]
Cadbury is launching a new chocolate bar	[1]



The graph illustrates a linear relationship between Price (£) and Demand. The vertical axis represents Price (£) with major ticks at 5, 10, 15, 20, 25, and 30. The horizontal axis represents Demand with major ticks at 50, 100, 150, 200, 250, 300, and 350. A straight line is plotted, starting at a price of 30 when demand is 50, and ending at a price of 0 when demand is 350.

Demand	Price (£)
50	30
100	25
150	20
200	15
250	10
300	5
350	0

[4]

11914



20GBU1109

(d) Explain the term “promotion”.

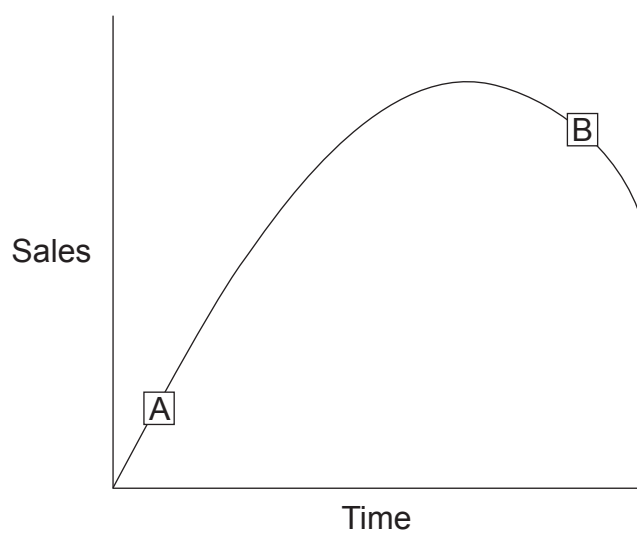
[2]

(e) Describe **two** effects that the Trade Descriptions Act has on promotion.

[4]



(f) (i) Label the diagram of the product life cycle below.



A _____ [1]

B _____ [1]



- (ii) Discuss **two** extension strategies a business could use to extend the life cycle of its products.

Strategy 1

[3]

Strategy 2

[3]



[illegible]

[Turn over

M&C produces a range of soft drinks and water and delivers its products throughout the UK and Europe. It uses both process and batch methods of manufacturing. For inventory control it uses the minimum inventory level. It has recently been awarded ISO 9001.

3 (a) Outline how M&C would use the minimum inventory level.

[2]

(b) Explain, **using an example**, how M&C might make use of process manufacturing.

[3]



(c) Explain, **using an example**, how M&C might make use of batch manufacturing.

[3]



M&C uses division of labour.

(d) Discuss **one** advantage and **one** disadvantage of using division of labour.

Advantage

[2]

Disadvantage

[2]



[6]

[6]

[Turn over



20GBU1117

(f) What do the letters “HSE” stand for? Explain the role of the HSE.

HSE _____

Role _____

[4]



[illegible]

THIS IS THE END OF THE QUESTION PAPER

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For Examiner's use only	
Question Number	Marks
1	
2	
3	

Total Marks	
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Examiner Number

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