

Surname	Centre Number	Candidate Number
First name(s)		2



GCE AS

B510U20-1



THURSDAY, 22 MAY 2025 – AFTERNOON

BUSINESS – AS component 2

Business Functions

2 hours

ADDITIONAL MATERIALS

A calculator.

INSTRUCTIONS TO CANDIDATES

Use black ink or black ball-point pen. Do not use gel pen or correction fluid.

You may use a pencil for graphs and diagrams only.

Write your name, centre number and candidate number in the spaces at the top of this page.

Answer **all** questions in Section A.

Answer **one** question from Section B.

Write your answers in the spaces provided in this booklet. If you run out of space, use the additional page(s) at the back of the booklet, taking care to number the question(s) correctly.

You are advised to spend no more than 80 minutes on Section A.

For Examiner's use only		
Question	Maximum Mark	Mark Awarded
1(a)	2	
1(b)	4	
1(c)(i)	2	
1(c)(ii)	3	
1(c)(iii)	3	
1(d)	6	
1(e)(i)	3	
1(e)(ii)	3	
1(e)(iii)	4	
2(a)	2	
2(b)	2	
2(c)	7	
2(d)	8	
2(e)	6	
3(a) or 4(a) or 5(a)	10	
3(b) or 4(b) or 5(b)	15	
Total	80	

INFORMATION FOR CANDIDATES

The number of marks is given in brackets at the end of each question or part-question.

You are reminded of the necessity for good English and orderly presentation in your answers.



JUN25B510U20101

SECTION A

Answer **all** questions from this section.

1. The changing broadcasting market

In recent years traditional broadcasters such as the BBC and ITV have experienced low growth rates, especially with viewers in the under 35 age group. A growing number of people have been turning to online streaming broadcasters such as Netflix and YouTube for their media content.

Table 1 below shows the share of the UK population that watched selected BBC TV channels each week in the UK for 2019 and 2020, and for 2021 and 2022.

BBC TV channel	Percentage of the UK population that watched the channel during 2019 and 2020	Percentage of the UK population that watched the channel during 2021 and 2022	UK average population during 2019 and 2020	UK average population during 2021 and 2022
BBC One	65.4%	61%	67 million	68 million
BBC Two	41.9%	38%		
BBC Four	12.1%	10%		
CBeebies	6.3%	5%		

The BBC offers its own online streaming service called BBC iPlayer, which was more popular in 2022 than any previous years.

- (a) Using **Table 1**, calculate how many people watched BBC One during 2021 and 2022.

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(b) Describe the BBC's product portfolio according to the Boston matrix.

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B510U201
03



Netflix was the UK's most popular online streaming provider in 2022. It launched in the US in 1998 as a DVD rental service and did not enter the online streaming market until 2007. Its online subscription streaming service was built around showing series and films created by other television and film businesses. In 2013, Netflix started offering its own original shows using direct selling to its customers. One of its most popular original shows called *Stranger Things* broke viewing records in 2022 due to the popularity of Season 4. By 2022, Netflix offered over 2400 original shows to its customers.

Reed Hastings, the co-founder and leader of Netflix, became an entrepreneur in 1991 when he started his first business called Pure Software. He was initially known for being an autocratic leader, creating very strict rules and policies that employees had to follow. However, at Netflix, his leadership style became more laissez-faire. Reed Hastings' leadership links closely to the leadership theory of Wright and Taylor.

- (c) (i) Identify **two** features of a laissez-faire leadership style. [2]

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- (ii) Describe the leadership theory of Wright and Taylor. [3]

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- (iii) Explain the likely impact of Reed Hastings' laissez-faire leadership style on Netflix.

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- (d) Evaluate the impact on Netflix of creating its own original shows.

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Table 2: Extract from Netflix's income statement

	2021	2020
	\$m	\$m
Sales revenue	29 698	24 996
Gross profit		9 720
Gross profit margin	41.64%	38.89%
Net profit	5 117	2 762
Net profit margin	17.23%	

(e) Using **Table 2**:

- (i) Calculate Netflix's net profit margin for 2020, present your answer to the nearest whole number. [3]

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- (ii) Calculate Netflix's gross profit for 2021. [3]

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- (iii) With reference to **Table 2** and your calculations, assess the financial performance of Netflix over the two years. [4]

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2. The only way is up

LadderCo is a global manufacturer of ladders with its manufacturing facility based in Liverpool. The CEO Elsie-Mae uses management by objectives throughout the company. The company has experienced success since introducing kaizen into the workplace at the beginning of 2024.

The operational manager has provided the following data for 2023 and 2024 in **Table 3** below.

Table 3: Operational data for LadderCo

	2023	2024
Average number of employees per year	62	60
Average number of ladders produced per employee per year	8000 ladders	8600 ladders
Maximum production capacity per year	550 000 ladders	550 000 ladders

- (a) Define the meaning of the term management by objectives.

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- (b) Identify **two** features of kaizen.

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B510U201
09

- [7]



LadderCo uses an annual appraisal system for its employees. The system is summarised in **Table 4** below.

Table 4: Annual appraisal timeline information for LadderCo

Month	Appraisal information
Beginning of April	Production is stopped for one whole day to allow employees to meet with their manager and co-workers, and to self-reflect on their own targets for the year. At the end of this day, each employee will receive three targets: • One is decided by the manager. • One is decided by the employee. • One is decided by co-workers (peers).
Beginning of October	A six-month review of the targets. Each employee meets with their manager for one hour to discuss progress towards meeting their three targets.
End of March	Annual review of targets. Each employee meets with their manager and must provide evidence of all three targets being met. If all targets have been met, the employee receives performance-related pay.



B510U201
11

[8]



Elsie-Mae replied, 'Never underestimate the importance of cash flow forecasting on your business'.

- [6]



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SECTION B

Answer **one** question from this section.

Either,

3. Planning for success

- (a) Describe the different reasons why an entrepreneur should create a business plan for a new not-for-profit enterprise. [10]
- (b) 'Promotion is the most important part of the marketing mix.' To what extent do you agree? [15]

Or,

4. Willing workers

- (a) Describe how a hospitality business, such as a hotel or restaurant, can measure the performance of its workers. [10]
- (b) Leaders prefer to empower workers, while managers like to maintain control. Evaluate the choice between empowerment and control of the workforce. [15]

Or,

5. Increasing the scale of a business

- (a) Describe the different types of internal economies of scale gained by a cinema when expanding into new locations. [10]
- (b) 'All stakeholders will benefit when a business experiences growth.' To what extent do you agree? [15]











Examiner
only

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