

Surname	Centre Number	Candidate Number
First name(s)		0



GCSE

C510U10-1



S25-C510U10-1-R1



FRIDAY, 9 MAY 2025 – AFTERNOON

BUSINESS – Component 1
Business Dynamics

2 hours

For Examiner's use only		
Question	Maximum Mark	Mark Awarded
1.	2	
2.	4	
3.	5	
4.	9	
5.	20	
6.	20	
7.	20	
8.	20	
Total	100	

C510U101
01

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.

Answer **all** questions.

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

Write your answers in the spaces provided in this booklet.

Additional space is provided for some questions within the booklet (if required). If further space is required for any question, you should use the additional page(s) at the end of this booklet. The question number(s) should be clearly shown.

INFORMATION FOR CANDIDATES

The number of marks is given in brackets at the end of each question or part-question. You are advised to divide your time accordingly.

The total number of marks available is 100.

You are reminded of the need for good English and orderly, clear presentation in your answers.



JUN25C510U101

Answer **all** questions.

1. Identify which **two** of the following are examples of non-financial methods of motivation. [2]

Tick (✓) **two** boxes only.

Performance-related pay		Piece rate	
Empowerment		Job enlargement	
Profit sharing		Bonus	
Time rate		Salaries	



2. Below are a number of terms and phrases.

Interest rates

Price discrimination

Discrimination

National Minimum Wage

E-commerce

Price skimming

M-commerce

Inflation

Identify which of the above terms best describes each of the following:

- (a) Buying goods and services through hand-held mobile devices such as smartphones. [1]

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- (b) A measure of the rate of change in prices over a period of time. [1]

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- (c) A strategy which initially involves selling a product at a high price, the price is then reduced at a later stage. [1]

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- (d) Treating one person differently to another based on age, race or gender. [1]

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3. Faith is a makeup artist, she works alone. She only earns money in the following ways:

- Applying makeup for individual customers
- Presenting makeup video tutorials online using social media



(a) Identify which **two** of the following best describe Faith's business.

[2]

Tick (✓) **two** boxes only.

Faith sells a personal service		Faith sells non-durable goods	
Faith works in the public sector		Faith offers a commercial service	
Faith sells producer goods		Faith sells durable goods	
Faith sells consumer goods		Faith works in the private sector	

Table 1 shows Faith's performance information for 2023 and 2024.

	Social media followers	Video tutorial views	Number of returning clients for makeup application
2023	30 000	198 000	198
2024	38 000	234 000	145



- (b) Explain **one** way the information in **Table 1** could be useful to Faith in running her business.

[3]

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4. Tina works as a used car salesperson at ClassyCars. People wishing to buy a car visit ClassyCars' showroom to view and get more information about the cars they may want to buy.

Tina earns a basic salary and 2% commission for each car she sells. Tina has enrolled on a course run by a training agency to help improve her sales technique. Tina has been learning about the sales process on her course.

- (a) Describe **two** stages of the sales process using examples relating to selling used cars. [4]

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- (b) Identify the type of training that is being used by Tina. [1]

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In one week, Tina sold two cars, one for £19995 and another car for £12750.

- (c) Calculate how much commission Tina would be paid for selling the two cars. [2]

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(d) Explain **one** benefit to a business of using commission to pay its workers.

[2]

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5. Sunnyside Garden Centre is a small, family-run business. Its product range includes plants, planting equipment, plant pots and garden furniture. Sunnyside Garden Centre is finding it increasingly difficult to compete with larger garden centres who sell similar products both in retail stores and online.

Sunnyside Garden Centre's accountant has drawn up the following cash-flow forecast for the next six months.

	Jul (£)	Aug (£)	Sep (£)	Oct (£)	Nov (£)	Dec (£)
Total revenue	100 101	103 345	76 098	65 010	88 767	96 675
Payments						
Cost of sales	59 234	42 668	39 786	48 367	51 349	48 682
Wages	28 790	30 610	28 680	22 465	27 545	29 180
Owner's salary	2 900	2 900	2 900	2 900	2 900	2 900
Loan repayments	4 000	4 000	4 000	4 000	4 000	4 000
Leasing on vehicles	1 550	1 550	1 550	1 550	1 550	1 550
Rates	2 110	2 110	2 110	2 110	2 110	2 110
Electricity	900	890	870	860	790	740
Gas	200	290	390	370	460	470
Total payments	(i)	85 018	80 286	82 622	90 704	89 632
Net cash flow	417	18 327	-4188	-17 612	-1937	7043
Opening balance	1000	1417	(ii)	15 556	-2056	-3993
Closing balance	1417	19 744	15 556	-2056	-3993	(iii)

- (a) Outline the difference between cash and profit.

[2]

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- (b) (i) Calculate the forecasted total payments for July. [1]

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- (ii) Calculate the forecasted opening balance for September. [1]

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- (iii) Calculate the forecasted closing balance for December. [1]

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Sunnyside Garden Centre has carried out primary market research to try and understand its customers. Sunnyside Garden Centre asked a small number of the general public to complete a questionnaire. The results of the market research are shown below:

- 50% had never visited Sunnyside Garden Centre
- 30% were not aware of Sunnyside Garden Centre

Of those respondents who had visited Sunnyside Garden Centre:

- 95% were happy with the product range available
- 80% said that products were overpriced
- 95% said that they were served quickly
- 70% said that they would prefer buying garden supplies online

Everyone who completed the questionnaire was given a 10% discount voucher.

- (c) Explain **one** reason why it is important for a business to understand the needs of its customers. [2]

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- Recommend ways in which Sunnyside Garden Centre could improve its cash-flow. [10]



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Additional space for Question 5(e) only.

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6. World of Books is an online business selling used books. It is a private limited company. The following information is taken from its website:



It all began when a group of book-loving entrepreneurs noticed a bag of books in a charity shop bin, destined for landfill. They rescued them on the spot, determined to give them a second life.

Over the last two decades, we have grown from a start-up into a leading global seller of quality used books and pioneers in re-use and recycling. Our inventory has grown to over seven million items in stock and we sell a book somewhere in the world every two seconds.

Source: <https://www.wob.com/en-gb/about-us>

World of Books usually pays very little for the books it buys. If the customer agrees to the price offered, they can send the books to World of Books and then receive the money. These books are then sold on the World of Books website for a higher price. The books are sold at a reduced price compared to new books.

World of Books believes:

Books should not be read only once and reusing books uses less energy and resources.

- (a) (i) State **two** features of a charity. [2]

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- (ii) Explain **one** way in which the aims of a private limited company differ from those of a charity. [2]

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- (b) (i) With direct reference to World of Books, describe **one** way the entrepreneurs demonstrated entrepreneurial characteristics. [2]

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- (ii) Suggest:

One financial risk of becoming an entrepreneur. [1]

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One non-financial reward of becoming an entrepreneur. [1]

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- (c) (i) Describe how World of Books is an environmentally friendly business. [2]

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- (ii) Explain **one** reason why a business may aim to be environmentally friendly. [2]

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World of Books uses new technology in the business. An example of this is the Ziffit smartphone app. The Ziffit smartphone app allows people to sell unwanted books to World of Books in an easy way.

People who wish to sell their books through the Ziffit app follow these steps:

Step 1 – Scan barcode for instant price

Step 2 – Accept the price – complete the trade – pack items securely

Step 3 – Use free courier or drop-off service

Step 4 – Get paid to your bank or PayPal account

An example of a price the Ziffit app offers for a book is £1.10, this book is then sold on the World of Books website for £5.99.

The Ziffit app also allows people to sell CDs, DVDs and games, which are then sold on the World of Books website.

(d) Analyse the impacts of the Ziffit smartphone app on World of Books and its customers.

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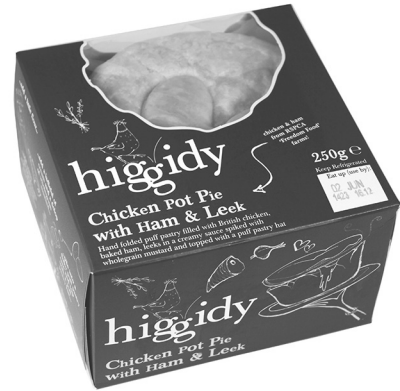
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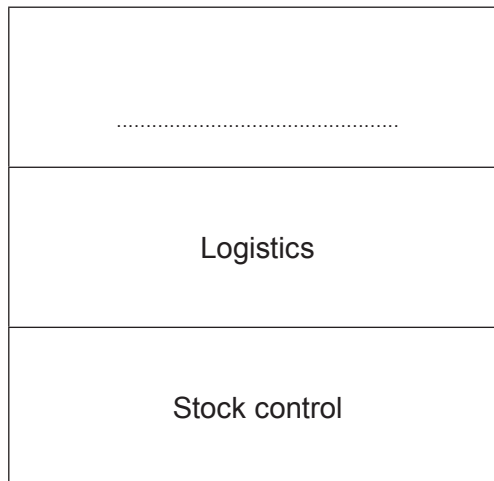
7. The Higgidy story began in 2003 when the business owners spotted a gap in the market to sell delicious wholesome pies. The business started out by selling its pies to local cafes.

In 2007, Higgidy was selected to supply its pies to Sainsbury's, one of the largest supermarkets in the UK, with over 1400 stores. Sainsbury's buys most of its supplies from large national and international suppliers. Sainsbury's also runs a scheme that allows small to medium-sized businesses to apply to supply its goods to Sainsbury's stores. Higgidy applied to the Sainsbury's scheme and was successful.



- (a) Identify the stage of the supply chain that is missing from the diagram.

[1]



- (b) State **one** way a business can grow internally.

[1]

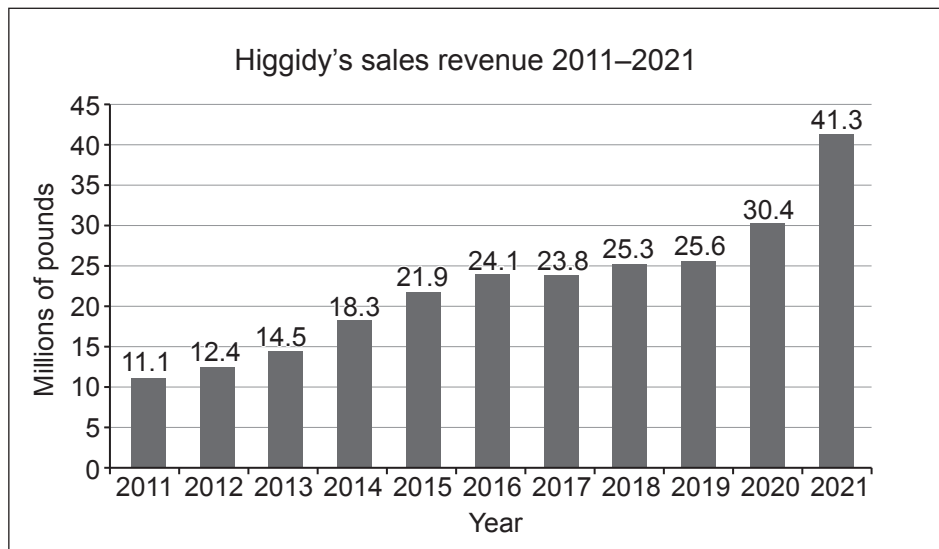
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[6]





By 2011, Higgidy pies were also sold in other supermarkets. In 2020, Higgidy made a net profit of £1.6 million.

- (d) Using the chart above, calculate the percentage increase in Higgidy's sales revenue between 2011 and 2021. Show your workings. [2]

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- (e) (i) State the formula for calculating net profit margin. [1]

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- (ii) Calculate Higgidy's net profit margin for 2020. Present your answer to two decimal points. Show your workings. [1]

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(f) Analyse Higgidy's decision to introduce online advertising in 2021. [8]



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8. In 2007, Max, a rugby-playing parent was trying to find a pre-school rugby class for his three young boys. It quickly became clear that he wasn't the only parent looking for a rugby class for younger children. Therefore, Max decided to start Rugby Tots; a fun, engaging rugby class for 2-7-year-olds.

Max identified the importance of branding for his business and decided to create a branded rugby kit that children would receive when joining Rugby Tots.



- (a) Identify **two** motives Max may have had for starting Rugby Tots.

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- (b) Explain **two** benefits of branding to a business.

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(c) Identify **two** ways Rugby Tots segments the market.

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Max decided to grow his business through franchising.

The Rugby Tots franchise has been a success. In the UK, there are now over 1000 coaches and 5000 classes per week. The cost of investing in a franchise is £6500. The franchisee receives:

- Training – 8 online sessions, 2 days' intensive training and a 360-page guide on how to run a successful franchise
- Head office support
- Branded rugby kits
- Rugby equipment
- Central marketing, including use of the website

Kai Coles is a PE teacher. He is the father of Cobie, who is 4. Cobie attends Rugby Tots. Kai would like to start his own rugby coaching business and is considering starting a business as a sole trader, as well as continuing in his job. Kai has his own ideas and would like to offer additional services that Rugby Tots may not offer, such as after-school clubs, parties and parent rugby classes. He has calculated that he would need £5000 to start the business on his own.

(d) Outline the difference between a franchisee and a franchisor.

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- [10]

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Additional space for Question 8(e) only.

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