

Surname	Centre Number	Candidate Number
First name(s)		2



GCE AS

B510U10-1



FRIDAY, 19 MAY 2023 – MORNING

BUSINESS – AS component 1
Business Opportunities

1 hour

For Examiner's use only		
Question	Maximum Mark	Mark Awarded
1.	12	
2.	19	
3.	19	
Total	50	

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.

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.

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.



JUN23B510U10101

Answer **all** the questions in the spaces provided.

1. Different types of business organisations and their stakeholders

Private sector organisations, **public sector organisations** and **not-for-profit organisations** make up the many thousands of businesses within the UK.

Jamie Oliver is a successful entrepreneur and TV personality who has had success with TV shows, the publication of cookbooks and his own restaurants.

Prior to 2020 Jamie Oliver owned three chains of restaurant brands; Jamie’s Italian and Barbecoa, both private sector, and Fifteen a not-for-profit chain of restaurants. However, in 2019, 22 out of 25 of the restaurants had to close due to falling customer numbers and increased losses. 1 000 jobs were lost throughout the UK as a result of these closures.

(a) Identify **two** aims of public sector organisations. [2]

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(b) (i) Identify **two** types of not-for-profit organisations. [2]

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(ii) Outline the main features of **one** of the not-for-profit organisations from your answer to (b)(i). [2]

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2. Fred's Fryer

Fred owns and runs a small sole trader fish and chip shop called 'Fred's Fryer', operating in a local, but very competitive **market**. There are several other businesses of the same size including 'Sandra's Fish and Chip Shop' which offers similar goods and services to the local population. Fred positions his business towards the higher quality end of the market allowing him to charge slightly higher prices than his rivals. Last year Fred's Fryer outperformed its competitors in the town and has the largest market share of 11%.

(a) Define the meaning of the term market. [2]

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(b) Identify and describe the market structure in which Fred's Fryer currently operates. [3]

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Fred's Fryer owns 11% of the market with sales value of £330 000 per year.

(c) (i) Calculate the value of the total market. [3]

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3. Deciding on a business opportunity

Plastic waste has been a growing concern within the UK. In 2019, it was reported that more than 5 trillion pieces of plastic are in the world's oceans which take many years to decompose.

Emma has just finished a fashion degree and is passionate about environmental issues. Emma is looking to become an entrepreneur setting up a plastic-free business. She has identified two potential business opportunities and needs help deciding which option to choose. Emma will then create a **business plan** for the chosen option.

Emma has decided to run her business from home, selling online.

Option One: Eco-friendly reusable fabric shopping bags. The idea is to make shopping bags a fashion item, reducing the need for plastic bags.

Since 2015, all retailers in England have had to charge for plastic bags. It was reported that single-use plastic bag sales have fallen by 90% since the introduction of this charge. However, the growth in online shopping suggests that fewer people may be visiting physical stores, reducing the need for a shopping bag.

Table 1: Quantitative data for Option One

Selling price per personalised fabric shopping bag	£10
Expected profit for the first year of trading	£2000
Yearly break-even number of units	3500 units

Option Two: Reusable metal drinking bottles. The product will keep drinks at their correct temperature (hot or cold) and the flask will also have measuring levels, so any drink from any shop can be filled directly into the flask.

Secondary research has shown that more and more people are visiting coffee shops. However, initial primary research also suggests that some retailers may continue to use their own cups when preparing drinks.

Table 2: Quantitative data for Option Two

Selling price per personalised metal drink flask	£15
Expected number of customers for the first year of trading	3600
Yearly fixed cost	£30 000
Variable cost per unit	£5



(a) Identify **one** key component of a business plan.

[1]

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(b) Explain the purpose of a business plan.

[4]

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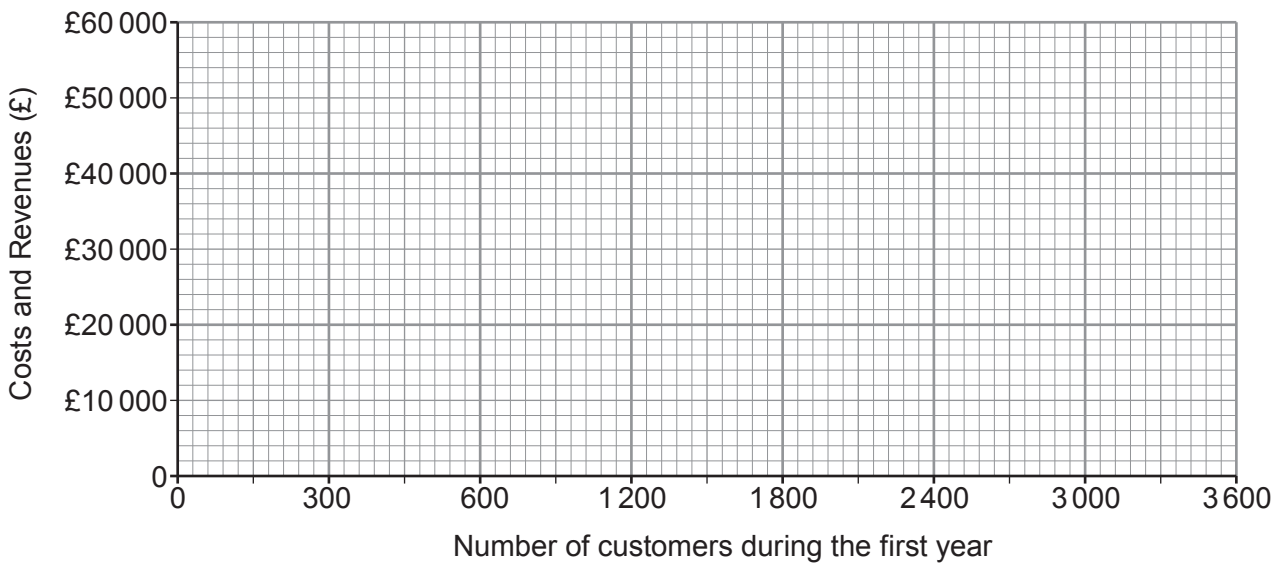
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(c) (i) Using the data in **Table 2**, construct the break-even graph for **Option Two**, drawing and labelling the following:

- Total revenue
- Fixed costs
- Total costs

[4]

Break-even graph for Option Two



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