



Oxford Cambridge and RSA

Thursday 18 May 2023 – 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

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Candidate number

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First name(s)

Last name

INSTRUCTIONS

- Use black ink.
- Write your answer to each question in the space provided. You can use extra paper if you need to, but you must clearly show your candidate number, the centre number and the question numbers.
- 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.

2
SECTION A

1 A plumbing firm is struggling to keep up with demand.

What would help the business to succeed?

- A** Asking regular customers with blocked toilets to ring back another day
- B** Giving customers unrealistic appointment times
- C** Ignoring customer complaints about delays in fixing water leaks
- D** Planning all business activity and work schedules carefully

Your answer

[1]

2 What is a non-financial method of motivation that a manufacturer of handmade wooden toys could use?

- A** Giving production operatives a bonus for every 1000 toys made
- B** Increasing the rate of pay for workers in the dusty woodcutting shed
- C** Praising the workers who take the greatest care when painting the designs
- D** Providing free private medical insurance to all workers

Your answer

[1]

3 Limited liability protects:

- A** business owners
- B** customers
- C** suppliers
- D** the local community

Your answer

[1]

- 4 A restaurant constantly monitors the dishes on its menu. It has collected data about customers' preferred flavours of soup for three years.

Year	Percentage of customers who preferred each flavour of soup		
	Tomato	Leek and potato	Chicken
2020	40%	25%	35%
2021	37%	28%	35%
2022	32%	32%	36%

According to the data, over the last three years which of the following is true?

- A Chicken soup has never been the customers' preferred flavour
- B In 2020, chicken soup and tomato soup were equally popular with customers
- C Leek and potato soup has gained in popularity with customers over the years
- D Tomato soup has always been the customers' preferred flavour

Your answer

[1]

- 5 Employee retention:

- A extends the working hours of employees
- B leads to higher recruitment costs
- C minimises time spent selecting new workers
- D reduces discrimination in the workplace

Your answer

[1]

- 6 Finley and Umi are business partners. They create personalised pictures, using shells and pebbles. They started the business after attending an art class together.

What would **not** be an appropriate reason for Finley and Umi to have started this business?

- A They developed an idea for a business by making pictures that are unique
- B They satisfied the needs of customers looking for sustainable gifts
- C They spotted an opportunity to earn money from a leisure activity they loved
- D They wanted to test their physical and mental health by working long hours

Your answer

[1]

- 7 What would be included in the job description for a hospital doctor?

- A A list of the medical qualifications required
- B An ability to listen carefully to patients' concerns
- C Previous experience of working in a hospital
- D The main duties of medical staff when working in a hospital

Your answer

[1]

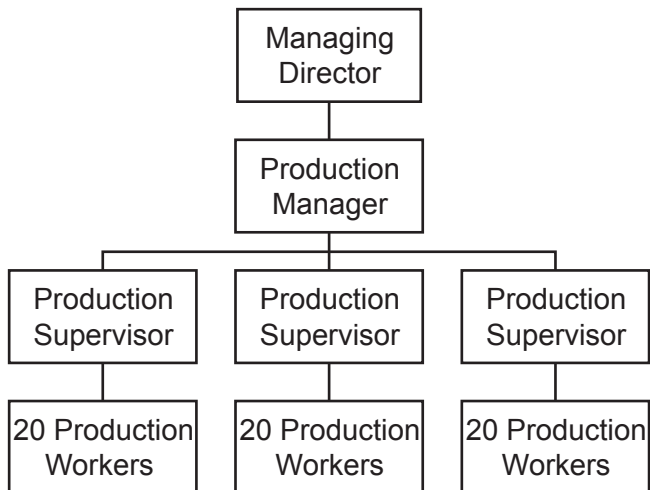
- 8 What is **not** a secondary source of market research?

- A Focus groups
- B Internal business data
- C Newspapers
- D Websites

Your answer

[1]

- 9 An extract from the organisation chart of a manufacturing company is shown below.



The span of control of the Production Manager is:

- A 1
- B 3
- C 21
- D 63

Your answer

[1]

- 10 Which type of ownership is most suitable for an entrepreneur who wishes to start up their own business quickly and with as little paperwork as possible?

- A Partnership
- B Private limited company
- C Public limited company
- D Sole trader

Your answer

[1]

11 One role of marketing within a hair salon is:

- A to advertise a vacancy for a trainee hairdresser
- B to ensure that each hairdresser has a contract of employment
- C to increase the number of hair appointments booked
- D to minimise the likelihood of customers getting head lice

Your answer

[1]

12 DM plc manufactures canned drinks. The company's main objective for the coming financial year is to increase its market share by 2%.

What would help the company achieve its objective?

- A Increasing the cost of its canned drinks
- B Increasing the number of retail outlets it supplies
- C Increasing the price of its canned drinks
- D Increasing the time it takes to process orders

Your answer

[1]

13 Mia is the owner of a small, independent, fashion store. She is wondering whether to start selling clothing specifically targeted at people aged over 65.

Which type of market research activity would **best** help Mia make this decision?

- A Searching lifestyle magazines for articles about saving for retirement
- B Searching national census data to find out how many people live in the UK
- C Searching the internet for charities that support the elderly
- D Searching the local government's website for age-related population figures

Your answer

[1]

14 Firms A and B both operate in the same industry.

- Firm A's objective is to make a profit
- Firm B's objective is survival.

What would explain this difference in objectives?

- A Firm A has a low market share and Firm B has a high market share
- B Firm B is a start-up business and Firm A is an established business
- C The owners of Firm A have less determination than the owners of Firm B
- D The owners of Firm B are more confident than the owners of Firm A

Your answer

[1]

15 A supermarket chain is receiving an increasing number of complaints about the poor attitude of its sales assistants, especially when the stores are busy.

What would help to deal with this problem?

- A Employ fewer sales assistants at each of its stores
- B Find ways to increase employee motivation at each of its stores
- C Limit the number of customers that can enter each store at any one time
- D Reduce the holiday entitlement of any employee that is rude to a customer

Your answer

[1]

8
SECTION B

16

Text 1

Nina's Knitting Supplies

Nina runs a successful business selling knitting wool and sewing products. She opened her first shop 15 years ago. The business has grown organically and now sells products from 10 shops and a website. Nina uses market segmentation to target customers. Nina employs 80 people. She works hard to meet the shared objectives of her employees, as well as external stakeholder groups such as customers, suppliers, lenders and the local community.

Nina produces a weekly update that is sent by email to all employees every Friday. The updates contain information about the future development of the business, plus other stories of interest to employees. Recent stories include congratulating an employee on the birth of a child and the charity fundraising activities of one shop.

Nina plans to develop the business further over the next five years, especially as knitting is becoming an increasingly popular pastime. This has led to more competitors entering the market.

(a) Explain **one** way that a business can segment its market.

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(b) Explain how the objectives of **three** external stakeholder groups can be satisfied by Nina's Knitting Supplies.

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[6]

(c) Analyse **one** likely reason why Nina sends a weekly update to her employees.

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[3]

17

Text 2

HSBC

HSBC offers a range of banking and financial services for personal and business customers. The bank has branches in many cities and towns across the UK.

Employing the best people is important to HSBC. It uses several methods to select new employees. Once appointed, all employees are offered training and development opportunities that include studying for academic qualifications such as degrees and professional diplomas.

Over 70% of HSBC’s call centre employees in the UK have begun working from home permanently. Before this change the employees worked together in a busy call centre. The tasks performed by call centre employees are varied, but include taking telephone calls from customers and completing administrative work, such as opening new bank accounts. Senior managers are now considering whether to introduce working from home for all of its UK call centre employees.

(a) State **two** methods that a business can use to select new employees.

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(b) Explain **three** methods of training HSBC may use.

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(c) Analyse **one** benefit for HSBC’s employees of studying for academic qualifications.

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(d) (i) Analyse **one** advantage for HSBC of its UK call centre employees working from home.

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18

Text 3**Walkers Snack Foods Ltd**

Walkers Snack Foods Ltd (Walkers) manufactures well-known snacks, including Walkers crisps, Quavers and Wotsits. The company has a market share of more than 50% of the UK potato snack market. The company aims to maintain its market share and to increase profitability.

Walkers uses different marketing strategies as the snacks move through the stages of the product life cycle. Flavours are regularly added to Walkers' range of crisps, often trialling new flavours before launching them. Recent examples have included 'fish & chips' and 'chicken burrito' flavours.

Walkers have responded to concerns about healthy eating by adapting its product range, including:

- recipe changes to reduce added salt by 25% and saturated fats by up to 70%
- a reduction in bag size
- multipacks now containing 22 bags rather than 24, with no change in price.

These changes were supported by a marketing strategy which affected all elements of the marketing mix.

An independent market research company arranged focus groups in both 2017 and 2022 to look at healthy eating trends. It found that:

- 46% of people were concerned about healthy eating in 2017, compared with 60% in 2022.
- In 2022, 36% of people considered whether a snack was healthy before buying it.
- In 2017, 26% of people thought that snack companies were trying to produce more healthy products. By 2022 this figure had increased to 29%.

(a) Identify **one** stage of the product life cycle.

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(b) Analyse **two** advantages for Walkers of trialling new products before launching them.

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(c) The marketing department at Walkers is considering a new promotion method for the Quavers brand and is considering either:

- advertising in national newspapers for a four-week period, or
- running a prize competition.

(i) Analyse **one** advantage for Walkers of each promotion method.

Advertising in national newspapers for a four-week period

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Prize competition

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- (ii) Recommend whether advertising in national newspapers or a prize competition would be the most appropriate promotion method for Walkers to use. Give a reason for your answer.

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- (d)* Evaluate, with reference to the data in **Text 3**, whether Walkers' marketing department should consider introducing healthier products. [9]

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END OF QUESTION PAPER

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