

Surname	Centre Number	Candidate Number
First name(s)		2



GCE AS/A LEVEL

2510U10-1



S25-2510U10-1

FRIDAY, 16 MAY 2025 – MORNING

BUSINESS – AS unit 1 **Business Opportunities**

1 hour 15 minutes

ADDITIONAL MATERIALS

In addition to this paper you may require 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.

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 reminded of the necessity for good English and orderly, clear presentation in your answers.

For Examiner's use only		
Question	Maximum Mark	Mark Awarded
1(a)	4	
1(b)	2	
1(c)	4	
1(d)	8	
2(a)	2	
2(b) (i)	1	
2(b) (ii)	1	
3(a)	2	
3(b)	4	
3(c)	6	
3(d)	6	
3(e)	10	
3(f)	10	
Total	60	

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

1. Fuel Food

Fuel Food is an online business that creates ready-made meals in a warehouse in Cardiff. Customers can order from its website and the meals are delivered throughout the UK. It was established in March 2024 and aims to offer high quality, healthy and fresh meals to meet the needs of its customers. Fuel Food offers a low-carbohydrate package for customers looking to lose weight, a balanced package for customers wanting to maintain a healthy weight and a performance package for customers looking to gain weight. Fuel Food strives to offer something for everyone with these packages. The business focuses on doing the hard work so that customers don't have to.

Market research was an essential part of its business plan and both quantitative and qualitative data was collected. Some of the data gathered was in the form of discussion in a focus group which included comments such as:

- I would definitely buy ready-made fresh, healthy meals to help with my busy lifestyle and personal goal to eat smart.
- Hectic family, work and travel commitments make it difficult to always make healthy choices.
- I already eat a healthy diet but I buy my own ingredients. Healthy ready-made meals are too expensive.
- As I have a training plan to stick to, finding the time to shop and cook a well-balanced meal can be tricky too.

Another form of data gathered was from secondary sources including the diagrams shown below:

Figure 1: Percentage of people in the UK who say that they eat a healthy and balanced diet, 2023

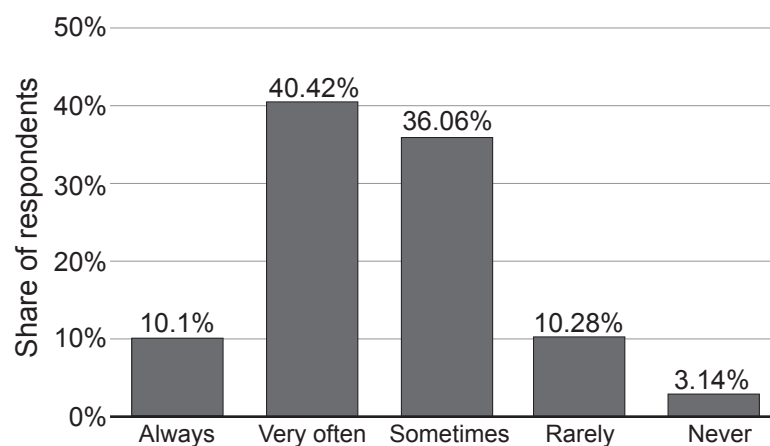
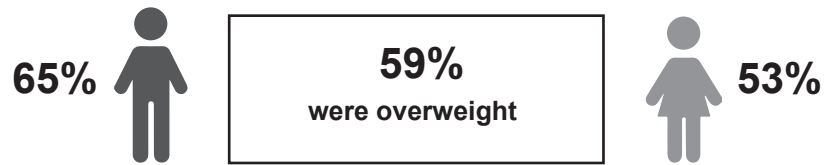


Figure 2: Percentage of males and females aged 16+ years classified as overweight in Wales, 2016/17



Source: Welsh Government. National Survey for Wales, 2016.

- (a) Describe **two** possible ways that Fuel Food could segment its market. [4]

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- (b) Define what is meant by market research. [2]

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- (c) With reference to the market research carried out by Fuel Food, state what is meant by qualitative **and** quantitative data. [4]

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- (d) Consider the usefulness of the qualitative **and** quantitative market research data gathered by Fuel Food when setting up the business. [8]

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2. Price elasticity of demand

Understanding price elasticity of demand can be very important to some businesses.

- (a) Define what is meant by the concept of price elasticity of demand. [2]

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- (b) (i) State what is meant by price inelastic demand. [1]

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- (ii) Identify **one** reason why the demand for a product may be price inelastic. [1]

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3. Penderyn

The Welsh Whisky Company Ltd produces and sells a range of premium alcoholic drinks including whisky, gin, rum and vodka. Its strongest brand is Penderyn which has won international awards for its whiskies and spirits since 2004. The Welsh Whisky Company Ltd has a commitment to quality, sourcing its own fresh water supply from the Brecon Beacons and maintaining high standards throughout its production process. The Penderyn brand has quickly gained a worldwide reputation and the whiskies are now available in over 40 countries.

The Welsh Whisky Company Ltd employs 95 workers. The table below shows the annual revenue and net profit between 2021 and 2023.

	2021 (£)	2022 (£)	2023 (£)
Revenue	18.3 m	19.7 m	23.1 m
Net profit	1 m	1.45 m	1.46 m

The demand for the Penderyn product range has grown. Its products are sold in supermarkets such as Asda, Tesco and Waitrose as well as national and independent hotels and bars. In addition, the Penderyn product range is sold in high profile, luxurious hotels such as the Ritz and Savoy and the famous London retail store, Harrods.

The Welsh Whisky Company Ltd has a visitor centre at the site where the famous Penderyn brand is produced. The visitor centre has over 43 000 visitors per year, who visit for tours of the manufacturing plant, masterclasses in the production of whisky and the gift shop.

During 2018, the company completed the purchase of additional warehousing space to expand its ability to produce the Penderyn brand of whisky. The company is also looking to expand its customer base into new markets which include USA and China, as well as investing in building its brand in France, Germany and Japan. In May 2021 a second distillery was opened in Llandudno in North Wales. The site also includes a shop and visitor centre. A £1.4 million Welsh Government grant helped to pay for this £5 million development.

In July 2023, The Welsh Whisky Company Ltd opened its third distillery in Swansea. The site also includes a shop and visitor centre. The Welsh Government and Swansea Council contributed financially towards this development.



- (a) With reference to the data, outline **two** reasons why The Welsh Whisky Company Ltd is classified as an SME. [2]

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- (b) Describe how The Welsh Whisky Company Ltd operates in both a trade market **and** a consumer market. [4]

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- (c) Analyse the impact of the change in revenue and net profit on The Welsh Whisky Company Ltd. [6]

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Additional space for Question **3(f)** only.

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