

Surname	Centre Number	Candidate Number
First name(s)		2



**GCE AS**

B510U10-1



O20-B510U10-1



**THURSDAY, 8 OCTOBER 2020 – MORNING**

**BUSINESS – AS component 1**  
**Business Opportunities**

1 hour

For Examiner's use only		
Question	Maximum Mark	Mark Awarded
1.	14	
2.	13	
3.	15	
4.	8	
<b>Total</b>	<b>50</b>	

**ADDITIONAL MATERIALS**

A calculator.

**INSTRUCTIONS TO CANDIDATES**

Use black ink or black ball-point pen.

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 continuation page 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.

*Answer all the questions in the spaces provided.*

1. Pascoe Ltd is a medium-sized business that offers its UK customers a variety of web design and printing services. As with most new start-ups, the first few years of trading were difficult. Before it started trading, the three owners of Pascoe Ltd used their own funds to purchase premises, which included offices and a large building for printing. The main aim of the business during this time was to survive.

Due to an increase in market share over the last year, the three owners have decided to expand by opening a second office and printing space in Paris. This will allow the business to branch out into new markets across Europe. All the owners have **limited liability** and have decided to invest more of their own funds into the business. They will also need to find other **sources of finance** to allow the expansion to take place.

- (a) Explain **one** benefit to business owners of having *limited liability*. [2]

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- (b) Apart from survival, identify **two** aims of a start-up business. [2]

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- (c) Consider the most appropriate *sources of finance* for Pascoe Ltd's expansion. [10]

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2. Arjun, the owner of a small air-conditioning business, sold and fitted 100 reconditioned commercial air-conditioning units in the month of July. He purchased the second-hand units from a website specialising in stock acquired from failed businesses. He paid £85 for each second-hand unit purchased and sold them for £300, with the fitting costs included in the price.

The cost for his business rent and rates for the month of July was £2 500. He also paid £50 to a contractor to clean and recondition each unit before selling and fitting them.

(a) (i) State the formula for calculating total costs. [1]

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(ii) Calculate Arjun's profit for the month of July. (Show your workings) [4]

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Once Charlie's market research has been collected and analysed, she will use **market segmentation** to help her attract customers. She intends offering both adult and children's menus at affordable prices. She wants to provide her customers with Wi-Fi and a takeaway service, and plans to have a function room to hire out for special occasions.

(c) (i) State what is meant by *market segmentation*. [1]

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(ii) Identify **two** possible market segments for Charlie. [2]

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(iii) Explain how market segmentation can help a business attract customers. [2]

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**END OF PAPER**

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