

Surname	Centre Number	Candidate Number
Other Names		0



GCSE

4080/01

BUSINESS STUDIES

A.M. TUESDAY, 21 May 2013

2 hours

Question	Maximum Mark	Mark Awarded
1.	2	
2.	2	
3.	3	
4.	2	
5.	3	
6.	4	
7.	4	
8.	20	
9.	20	
10.	20	
11.	20	
TOTAL	100	

ADDITIONAL MATERIALS

Calculators may be used.

INSTRUCTIONS TO CANDIDATES

Use black ink or black ball-point pen.
Do not use pencil or gel pen. Do not use correction fluid.
Write your name, centre number and candidate number in the spaces at the top of this page.

Answer **all** questions.

Write your answers to all the questions in the spaces provided in this question-and-answer booklet.
If you run out of space, use the continuation pages 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 that assessment will take into account the quality of written communication used in your answers to questions 9(c) and 11(e).



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


1. Which **two** of the following are non-monetary rewards received by workers? [2]

Tick **two** boxes only.

	<p>Bonuses</p>	<p>1</p>
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	<p>Medical Insurance</p>	<p>2</p>
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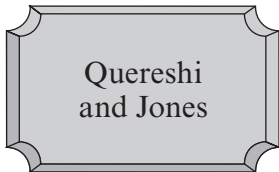
	<p>Company Car</p>	<p>3</p>
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	<p>Salaries</p>	<p>4</p>
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2. Which **two** of the following are most likely to be found in a deed of partnership? [2]

Tick **two** boxes only.

	<p>How many goods to sell</p>	<p>1</p>
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	<p>Names of partners</p>	<p>2</p>
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	<p>How profits are to be shared</p>	<p>3</p>
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	<p>The price of goods to be sold</p>	<p>4</p>
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3. Suzie Kadir is applying to her bank for a loan. She has been asked to send a business plan. List **three** pieces of **financial** information that Suzie could include in her business plan. [3]

- (i)
- (ii)
- (iii)



4. Co-operative shops are found all over the country.

(a) Who are most likely to be the owners of these shops? [1]

Tick one box only.

Customers

1

Taxpayers

2

The Government

3

(b) What is the term for the share of the profits of co-operatives? [1]

Tick one box only.

Dividend

1

Interest

2

Shareholding

3



5. (a) **Underline** the definition which best describes the term **limited liability**. [1]

- (i) The company is limited to the number of shareholders it has.
- (ii) The company must sell its shares on the Stock Exchange.
- (iii) The owners do not have to sell personal possessions if the business fails.

(b) Below are some examples of businesses. Which **two** are most likely to have limited liability? [2]

Tick two boxes only.

Jones and Co. Ltd (Builders)	1
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Mix N Match p.l.c. (Clothing Retailer)	2
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Colin Edwards (Greengrocer)	3
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Quick and Wright (Accountants)	4
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6. Below are a number of business terms and phrases.

BALANCE SHEET

CURRENT ASSETS

CASH FLOW

CURRENT LIABILITIES

LEASING

HIRE PURCHASE

OPENING BALANCE

WORKING CAPITAL

Which of the above business terms and phrases best describes **each** of the following: [4]

(a) a system where goods are rented but which are eventually owned by the business;

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(b) current assets minus current liabilities;

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(c) a business financial document where the assets and liabilities are shown;

.....

(d) what the business owes and which must normally be paid within 12 months?

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7. Explain what effect **each** of the following might have on the sales of products by businesses:

(i) an increase in income tax paid by customers; [2]

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(ii) a fall in the value of the pound against other currencies. [2]

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8. Ryan Davies has been a keen reader since childhood. After being made redundant from a travel agent business, where he had worked for a number of years, he decided to set up a shop selling new and second hand books.

(a) Suggest and explain **two** reasons why people such as Ryan want to set up their own businesses. [4]

(i)

.....

.....

(ii)

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.....



(b) Suggest **two** aims Ryan might have for the business. [2]

(i)

(ii)

(c) Shopkeepers such as Ryan are sometimes called retailers. Briefly describe **one** function of retailers. [2]

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(d) All retailers need short-term finance to pay for day-to-day expenses. Suggest and explain **one** type of short-term finance Ryan might use. [4]

Suggestion

Explanation

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9. UK Government statistics show the following information:

	2008	2009	2010
Value of sales of audio and video equipment (i.e. home music systems and televisions) from specialist shops.	£1243m	£857m	£812m

These figures form part of the product life cycle for audio and video equipment sold at specialist electrical shops.

(a) From which part of the product life cycle do the 2008 to 2010 figures appear to have been taken? [1]

Tick one box only.

DECLINE	1
GROWTH	2
MATURITY	3

(b) Briefly outline possible reasons for the change in these figures from 2008 to 2010. [3]

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One way in which the **manufacturers** of audio and video equipment can maintain sales is by providing quality products.

(d) Suggest and explain **three** ways in which the **manufacturers** of audio and video equipment can make sure that they can provide quality products. [6]

(i)

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(ii)

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(iii)

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10. The Virgin Group is a complicated business organisation which means that it is divided into a number of individual private limited companies. The Virgin Group was set up by Sir Richard Branson in 1970 and he is a major shareholder in all the companies.

(a) Explain **one** difference between a private limited company and a public limited company. [2]

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The Virgin Group has grown to include businesses in areas ranging from mobile telephones to transportation, travel, financial services, media, music and fitness.

Some of the growth has involved buying existing businesses.

(b) Which term below is used to describe growth by buying existing businesses? [1]

Tick one box only.

ACQUISITION	1
INTERNAL GROWTH	2

The Virgin Group is so large that it gains economies of scale.

(c) (i) What is meant by the term economy of scale? [2]

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(ii) Explain **one** economy of scale from which the Virgin Group might benefit. [3]

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The Virgin Group has created more than 300 branded products. The Virgin brand is very important to the business.

(d) Why is the brand so important in the marketing of products? [4]

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11. Radsonic plc produces car radiators which are supplied to car manufacturers.

Below is the profit and loss account for Radsonic plc for 2010 to 2012.

PROFIT AND LOSS FIGURES FOR RADSONIC PLC 2010-2012			
	2010	2011	2012
Sales	£3 000 000	£4 000 000	£5 000 000
Cost of Sales	£1 000 000	£1 500 000	£2 000 000
Gross Profit	£2 000 000	£2 500 000	£3 000 000
Gross % Profit	66.7%	62.5%	60%
Total Expenses	£1 850 000	£2 200 000	?
Net Profit	£150 000	£300 000	£200 000
Net % Profit	?	7.5%	4%

(a) Calculate the Total Expenses paid by Radsonic plc in 2012. [1]

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(b) Calculate the net percentage profit of Radsonic plc for 2010. (Show your workings). [2]

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The directors of Radsonic plc believe that they need to expand their production lines by introducing Computer Aided Manufacture (CAM).

(c) Outline (i) **one** advantage and (ii) **one** disadvantage for Radsonic plc of using CAM to produce their radiators. [4]

(i) Advantage

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(ii) Disadvantage

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The expansion of the business and the introduction of CAM may mean that more workers will need to be recruited. As part of the process Radsonic plc will need to write a person specification.

(d) (i) What is a person specification? [1]

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(ii) Suggest **two** items which might appear on a person specification. [2]

Item 1

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Item 2

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