

Surname	Centre Number	Candidate Number
Other Names		2



GCE AS/A level

1081/01

BUSINESS STUDIES – BS1

P.M. MONDAY, 19 May 2014

1 hour 15 minutes

For Examiner's use only		
Question	Maximum Mark	Mark Awarded
1.	4	
2.(a)	4	
2.(b)	8	
3.	6	
4.(a)	4	
4.(b)	6	
4.(c)	8	
5.	10	
Total	50	

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 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

Mark allocations are shown in brackets.

You are reminded that assessment will take into account the quality of written communication used in answers that involve extended writing (question 5).



M A Y 1 4 1 0 8 1 0 1 0 1

Answer all the questions in the spaces provided.

1. Even though very successful businesses, such as Tesco and Boots, are the leaders in their markets in the UK, they still carry out a good deal of **primary market research** on a regular basis.

With the use of examples, explain what is meant by the term *primary market research*. [4]

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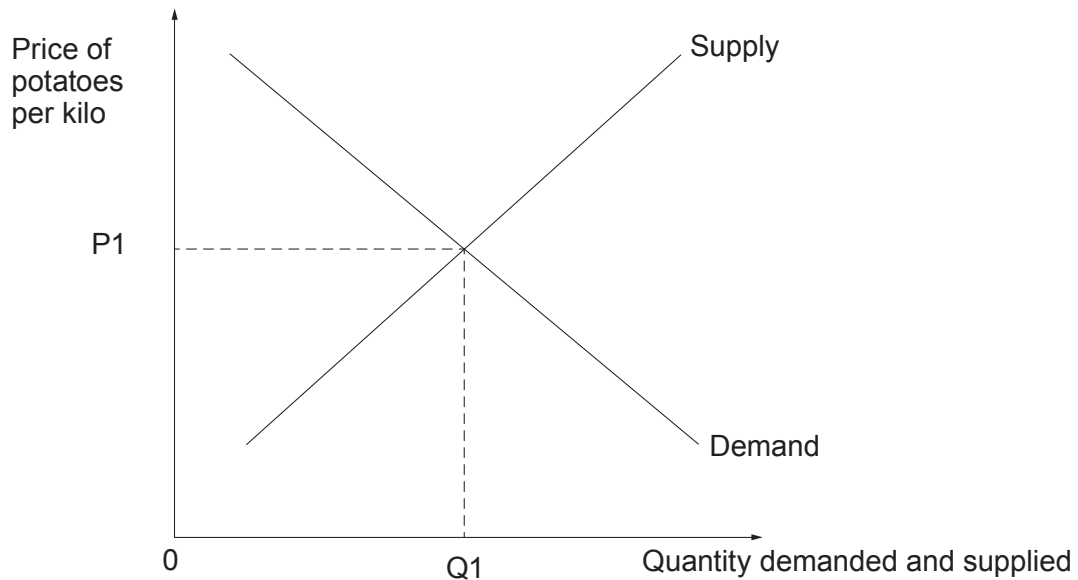
2. IT'S OFFICIAL – 2012 WAS THE SECOND WETTEST YEAR IN OVER A CENTURY OF UK WEATHER RECORDS.

So which businesses and industries lost out most in 2012, and were there any winners? Farmers suffered badly last year, as the constant rain severely stunted many crops. Wheat yields were at their lowest since the 1980s, with production down about 15%, while farmers grew about 4.5 million tonnes of potatoes, one million fewer than the average, according to Phil Bicknell, chief economist at the National Farmers' Union.

As for sales of gardening products, "gardening was a complete washout", says Patrick O'Brien, retail specialist at consultancy Verdict Research. But it was not all bad news – sales of slug pellets and weed killer did very well, as slugs and weeds both thrived in the wet weather.

B&Q had a bad spring and summer. Its sales fell 6% and shopper numbers were down 20%, as not only would-be gardeners, but also outdoor DIY enthusiasts and barbeque food lovers, were put off by the terrible weather. In contrast, Dixons – owner of Currys and PC World – said that its sales of tumble dryers in April had doubled, while demand for electric heaters had shot up 10-fold from a year before.

- (a) Adapt the diagram below and explain the likely effect on the price of potatoes in 2012 as a result of the flooding. [4]



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4. 484 224 BUSINESSES STARTED IN 2012.

British entrepreneurs founded almost 10% more businesses in 2012 than they did in the previous year, according to figures revealed by StartUp Britain. Emma Jones, co-founder of StartUp, said “Small firms are the driving force of the British economy. Times are hard yes, but it never ceases to amaze us when we see resourceful Britons making business ideas come to life.”

Source: *Western Mail*, 3 January 2013

One of the biggest problems facing start-up businesses today is gaining access to **external sources of finance** in order to help them get a foothold in the marketplace. Sadly, within two years of starting, 50% of new small businesses close down.

(a) Explain **two** reasons why an individual may wish to set up his or her own business. [4]

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(b) Suggest **two** possible sources of *external finance* that would be suitable for a small start-up business. Give **one** advantage and **one** disadvantage of each. [6]

(i) Source of external finance.....

Advantage

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Disadvantage

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(ii) Source of external finance.....

Advantage

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Disadvantage

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(c) Explain why, despite all the difficulties that face them, small businesses continue to survive. [8]

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Examiner
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18



Examiner
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END OF PAPER



