

Surname	Centre Number	Candidate Number
Other Names		0



GCSE

4080/01



BUSINESS STUDIES

P.M. FRIDAY, 10 June 2016

2 hours

For Examiner's use only		
Question	Maximum Mark	Mark Awarded
1.	3	
2.	2	
3.	3	
4.	4	
5.	4	
6.	4	
7.	20	
8.	20	
9.	20	
10.	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 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 **7(e)** and **10(e)**.









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

1. Which **three** of the following services are usually provided by the public sector rather than the private sector in the UK? [3]

N.B. Tick (✓) three boxes only.

Healthcare 	1	Mobile Phone Contract 	2
Internet Provider 	3	Education 	4
Armed Forces 	5	Newspaper & Magazine Publishing 	6

2. Which **two** of the following are methods of sales promotion? [2]

N.B. Tick (✓) two boxes only.

Advertising on Social Media 	1	TV Commercial 	2
Buy One Get One Free 	3	Free Gift 	4



3. Rhian Kaliq is applying for a new job with Evans & Co Ltd. The company has sent her an application form to complete. Apart from the application form, list **three** other steps involved in the recruitment process. [3]

(i)

(ii)

(iii)

4. Suzie Thomas works on the production line for a leading car manufacturer. She is paid £14 per hour for a 39 hour week. She pays statutory deductions of £110 in Income Tax and £42 National Insurance contributions.

- (a) What is meant by the term '*statutory deduction*'? [1]

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- (b) Below is part of Suzie's weekly pay slip. Using the information above, complete this pay slip in the boxes provided. [3]

GROSS PAY	TOTAL DEDUCTIONS	NET PAY
(i)	(ii)	(iii)



5. Below are a number of terms and concepts used in business.

PROFIT & LOSS
ACCOUNT

TRADE UNION

JOB
PRODUCTION

CASHFLOW
FORECAST

SOLE TRADER

FLOW
PRODUCTION

MARKETING
DEPARTMENT

PARTNERSHIP

Which of the above best describes **each** of the following:

[4]

(a) an organisation which looks after the welfare of its members in the workplace

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(b) a business that is owned by between 2 and 20 people

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(c) a prediction of money coming into and out of a business over a certain period of time

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(d) a product is made to the requirements of the customer and each one made is unique

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6. The economic environment is always changing and this can impact on business activity. Explain what effect **each** of the following might have on businesses:

(i) An increase in the rate of inflation [2]

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(ii) A fall in interest rates [2]

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7. According to Government statistics, small businesses represent 95% of all businesses and employ more than seven million people in the UK.

One example of a small business is ARK Windows. This is a business owned by Adam Robert Keysmith who is a sole trader and employs 30 people from the local community.

The business manufactures double glazing windows in a small factory. It also sells and installs them across South Wales.

(a) Apart from Government statistics, identify **one** other source of secondary data. [1]

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(b) ARK Windows also carry out field (primary) research.

(i) Give **one** example of field research. [1]

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(ii) Suggest and explain the benefits to ARK Windows of using field research. [2]

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(c) Explain why operating as a sole trader may benefit the owner of ARK Windows. [2]

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ARK Windows has an excellent reputation for producing high quality windows as well as providing outstanding customer service.

(d) Explain **two** ways in which ARK Windows can ensure that it provides high quality goods and service. [4]

(i)

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(ii)

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The owner of ARK Windows is considering expanding throughout the South West of England, which will involve buying new premises for a factory and new machinery to produce the windows.

(e) Evaluate the most suitable sources of finance ARK Windows could use to raise the finance needed for the expansion plans. [10 QWC]

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8. PrettyinPink Ltd has been established for 5 years. The main shareholder and Managing Director, Mrs Emma Thomas, started the business from home, designing and making fashionable clothing for close friends and family.

Since then, she has opened shops in several town centres, employing more than 20 people in total.

Emma is interested in expanding the business even further. Due to the success of online clothes retailers such as ASOS, she is seriously considering setting up a website and selling her clothing range on the internet.

(a) Explain **one** advantage and **one** disadvantage of operating as a private limited company. [4]

Advantage

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Disadvantage

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(b) Apart from growth, suggest **two** other business aims that PrettyinPink Ltd may have. [2]

(i)

(ii)



Emma Thomas could be described as a democratic leader. As the main shareholder and Managing Director of PrettyinPink Ltd, she always involves the other shareholders and workers in decision making.

(c) (i) Suggest and explain **one advantage** to the business of Emma’s democratic leadership style. [2]

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(ii) Suggest and explain **one disadvantage** to the business of Emma’s democratic leadership style. [2]

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(d) PrettyinPink Ltd is aware of the legal responsibilities it has to its workers. Suggest and explain **one** legal responsibility PrettyinPink Ltd has to its workers. [2]

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9. Home Retail Group plc is the UK's leading retailer of products for the home. This plc owns well known retailers such as Argos and Homebase.

Today, Home Retail Group plc has 1057 stores across the UK. It employs over 47,000 people and sells over 80,000 different products, including electrical goods, home furniture and children's toys.

Extracts from the balance sheet for the business as at 1 March 2014 and 2013 are shown below. Study the balance sheet and answer the questions that follow.

BALANCE SHEET FOR HOME RETAIL GROUP PLC 2014 and 2013

	2014 £m	2013 £m
Fixed Assets	750	685
Current Assets		
Stocks	65	50
Debtors	17	20
Cash	13	10
Total Current Assets	95	80
Total Assets	?	765
Current Liabilities	110	125
Long Term Liabilities	145	150
Total Liabilities	255	275
Total Net Assets	590	?
Total Capital Employed	590	490

Adapted from Home Retail Group plc Annual Report 2014

- (a) Calculate the Total Assets for 2014 and the Total Net Assets for 2013. [2]
- (i) **Total Assets 2014**
- (ii) **Total Net Assets 2013**
- (b) Give **one** example of a fixed asset and **one** example of a current liability for Home Retail Group plc. [2]
- (i) **Fixed asset**
- (ii) **Current liability**



(c) Identify **two** stakeholders who would be interested in the accounts (profit and loss account and the balance sheet) of Home Retail Group plc and explain the reason why they have an interest. [4]

Stakeholder 1

Reason

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Stakeholder 2

Reason

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Throughout its Argos and Homebase stores, the Home Retail Group plc provides a wide range of different products to its customers. For example, Argos sells toys, smart televisions, DVD players, vacuum cleaners and furniture.

(d) Why do businesses such as Argos sell a wide range of products? Give reasons for your answers. [4]

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10.



Unilever plc is one of the world's most successful companies with factories and offices located in many countries across the world. It provides a variety of branded products from home and personal care goods, such as Persil and Surf washing powder, to foods such as Ben & Jerry's ice cream.

Adapted from Unilever website 2015

(a) Explain what is meant by the term branded products. [2]

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Unilever is considered to be a company with strong ethical policies. Ben & Jerry's ice cream is a good example.

(b) Suggest **two** ways in which Unilever plc can operate ethically. [2]

(i)

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(ii)

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(c) Why do businesses such as Unilever plc, have strong ethical policies? [2]

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Unilever plc has over 172,000 employees across the world and has a reputation for employing people with a wide range of backgrounds and beliefs. It has won many awards for being a good employer and is well known for having a motivated workforce.

(d) Explain the benefits to businesses such as Unilever plc of having a well-motivated workforce. [4]

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