

Surname	Centre Number	Candidate Number
Other Names		2



## GCE AS/A LEVEL

2510U10-1



S19-2510U10-1

### BUSINESS – AS unit 1 Business Opportunities

FRIDAY, 17 MAY 2019 – AFTERNOON

1 hour 15 minutes

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

#### 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** the questions.

Write your answers in the spaces provided in this booklet. If you run out of space, use the additional page(s) 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 need for good English and orderly, clear presentation in your answers.

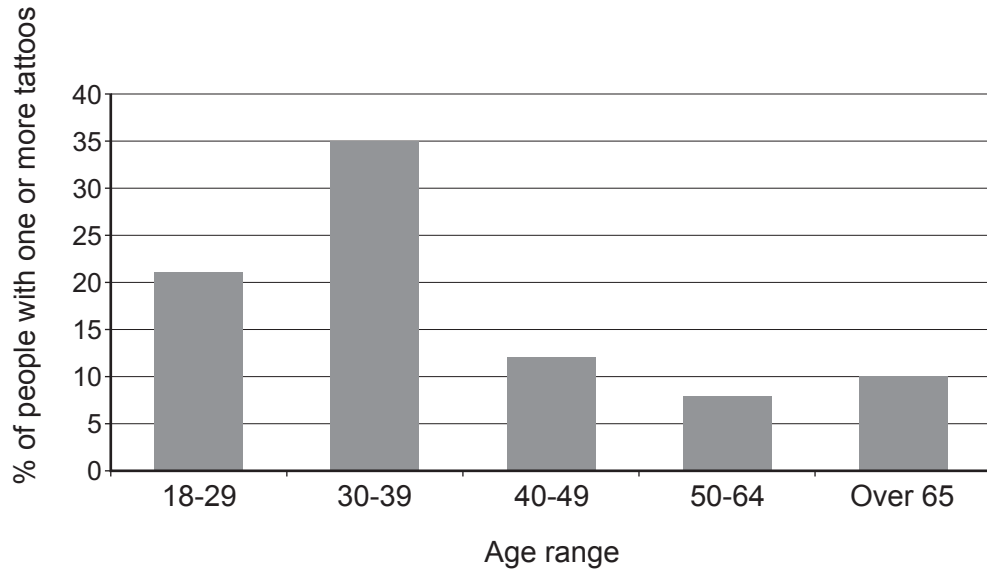


MAY192510U10101

Answer all the questions in the spaces provided.

- 1. The Office for National Statistics estimates the population of the United Kingdom to be 65 110 000 and the desire of a significant proportion of UK citizens to have a tattoo seems to show no sign of diminishing.

**Fig. 1** Percentage of people who have tattoos in the UK in 2015 by age range



- (a) Consider how useful the information in **Fig. 1** might be to those thinking about opening a tattoo parlour in 2019. [4]

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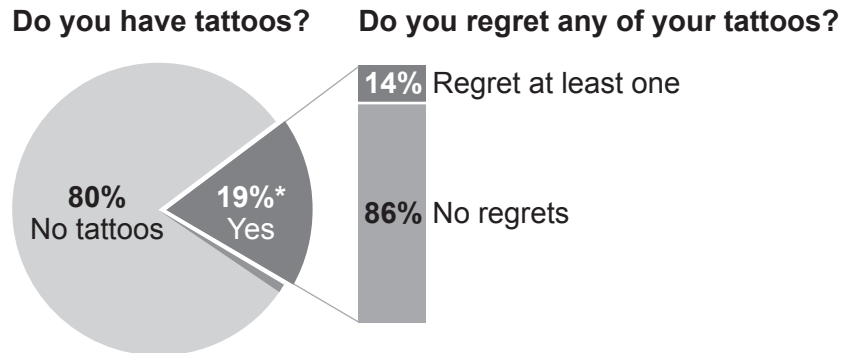
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**Fig. 2** Percentage of people who have tattoos, and regrets about tattoos, in the UK in 2015



\*Not including 1% who responded "Prefer not to say"

Source: *yougov.com Jul. 9-10, 2015*

(b) Using **Fig. 2**, calculate the number of people in the UK in 2015 who say they have 'no regrets' about having a tattoo. [3]

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Entrepreneurs have opened registered tattoo parlours in almost every town across the country, eager to satisfy the 'wants' of an ever increasing number of customers, many of whom have been inspired by the rich and famous. Wales is no exception, with the likes of Gareth Bale inspiring people to follow his example. The tattoo market can no longer be regarded as 'niche' because it is now highly competitive. Tattoo parlours are relatively easy to set up, though health and safety regulations have to be met. A large number of small businesses operate in the market.

(c) Outline why obtaining a tattoo is regarded as a 'want' rather than a 'need'. [3]

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(d) Analyse the factors that may affect the demand for tattoos in the UK. [8]

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(e) What is meant by the term *niche market*? [2]

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(f) Explain why the tattoo market could **not** be regarded as an oligopolistic market.

[8]

Dotted lines for writing answer.

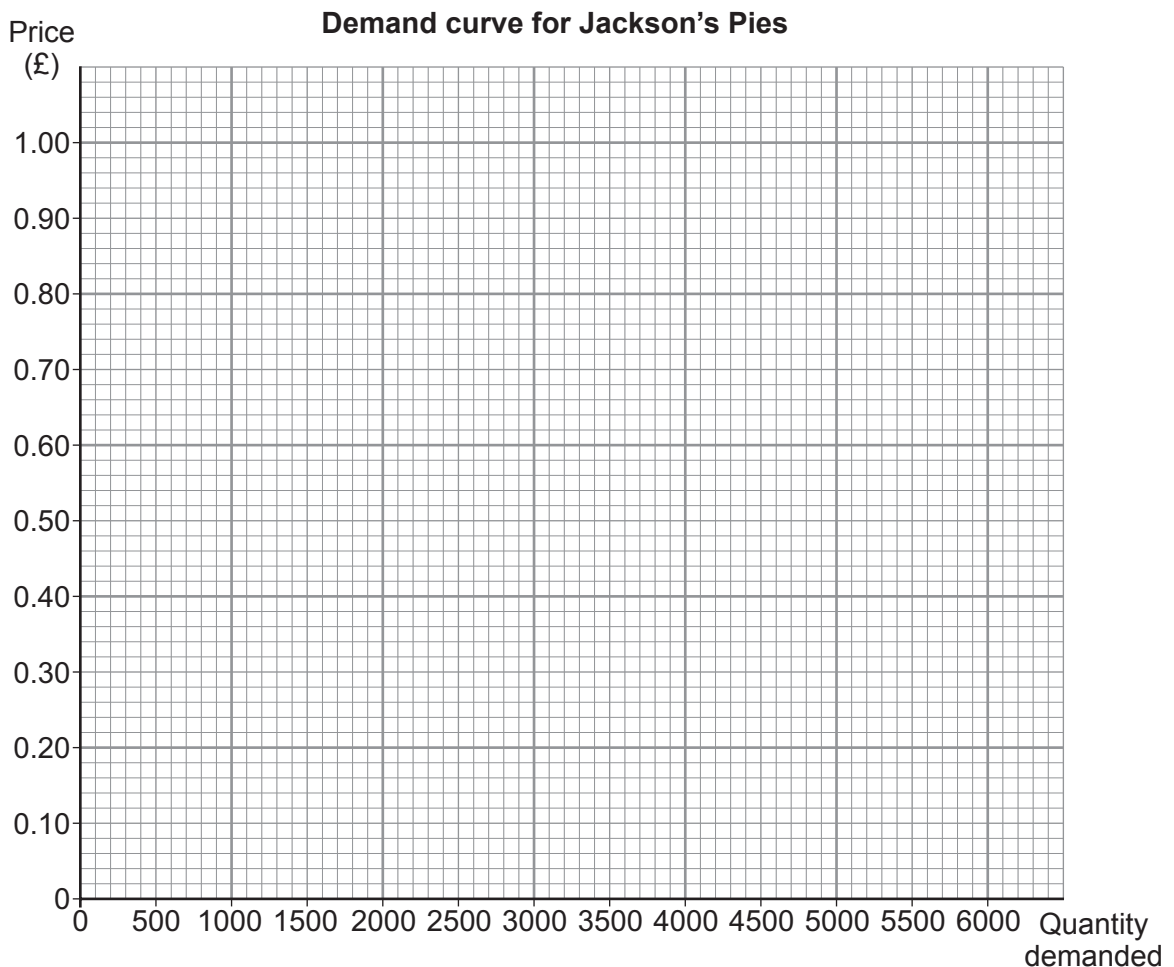


2. Jackson's Pies, a partnership owned by Peter Jackson and his sister Jessica, has been supplying their meat and potato pies to chip shops all around North Wales for the last 5 years. They now have 6 workers and they achieved good profits last year. Sales have grown steadily over the last 12 months. As a result, Peter was keen to raise the price of the pies from 70 pence to 90 pence. Jessica was concerned about this possible price rise and constructed the table below. She suggested that Peter studied it before considering such a price rise.

**Demand forecast for Jackson's Pies**

Price (£)	Quantity demanded per week
1.00	1000
0.90	1500
0.80	2000
0.70	3500
0.60	4800

- (a) Using the data provided in the demand forecast table, construct and label the weekly demand curve for Jackson's Pies on the graph provided below. [2]



- (b) (i) Calculate the difference in revenue earned when the pies are sold at 70 pence and 90 pence. [2]

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- (ii) With reference to your calculation in 2(b)(i), explain why Jessica is concerned about the possible price rise proposed by her brother. [2]

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Peter was also keen to increase the range of pies that the business produced and his friends in the pub suggested that chicken and mushroom and a vegetarian pie would be popular.

Jessica was furious at her brother’s latest suggestion. “We are not running this business on the basis of rumours and opinion. Before we make any big decisions we need to undertake some proper market research – both **quantitative** and **qualitative**. In any case, the last time I read our **Deed of Partnership**, I invested twice as much money into this enterprise as you did. If changes are to be made let’s do it professionally. We have built a profitable business and I am not prepared to be part of any rash decision making, considering that we have **unlimited liability**.”

- (c) (i) Outline the concept of *unlimited liability*. [2]

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(ii) Analyse the importance of a *Deed of Partnership* to a business such as Jackson's Pies. [4]

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(d) Explain what is meant by *quantitative* and *qualitative* market research and evaluate the usefulness of both to a business such as Jackson's Pies. [10]

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**3. Aston Martin is to build its new luxury car in South Wales, creating 750 highly-skilled jobs.**

The luxury car will be hand-made in a super hangar at St Athan in the Vale of Glamorgan. It is a major success for Wales as it took two years to secure the deal ahead of 20 locations across the world. As well as attracting one of motoring's most famous names, it is expected to create about 1000 additional jobs with suppliers and local businesses, the majority of whom will be SMEs.

Aston Martin chief executive, Andy Palmer, called it a "momentous day for Wales". The development will include a skills academy, which will make St Athan and the Vale of Glamorgan an engineering centre of excellence. Work on the factory started in 2017 and production will start in 2020.

The value of the deal is in the hundreds of millions of pounds and it is forecast that the Welsh Government will be contributing some £5.8 million in support of the project. Some analysts do not agree that the Welsh Government should be supporting Aston Martin in this way and believe that the money would be better spent elsewhere. They point out that major businesses that were given support in the past, such as Panasonic and Bosch, made more than 1000 workers redundant when they closed their operations in South Wales as a result of changing market conditions.

Source/Adapted: Sarah Dickins BBC Wales Economics Correspondent

- (a) State two key features of SMEs. [2]

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- (b) Discuss the view that the impact upon the Welsh economy of attracting Aston Martin to manufacture in Wales is far more important than encouraging the development of SMEs. [8]

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