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| Surname | Centre Number | Candidate Number |
| First name(s) | | 0 |



GCSE

3510U10-1



FRIDAY, 20 MAY 2022 – AFTERNOON

BUSINESS

Unit 1: Business World

2 hours

| For Examiner's use only | | |
|-------------------------|--------------|--------------|
| Question | Maximum Mark | Mark Awarded |
| 1. | 2 | |
| 2. | 2 | |
| 3. | 4 | |
| 4. | 8 | |
| 5. | 4 | |
| 6. | 20 | |
| 7. | 20 | |
| 8. | 20 | |
| 9. | 20 | |
| Total | 100 | |

ADDITIONAL MATERIALS

A calculator.

INSTRUCTIONS TO CANDIDATES

Use black ink or black ball-point pen.

Do not use gel pen or correction fluid. You may use a pencil for graphs and diagrams only.

Answer **all** questions.

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 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 advised to divide your time accordingly.

The total number of marks available is 100.

You are reminded of the need for good English and orderly, clear presentation in your answers.



JUN223510U10101

Answer **all** questions.

1. Identify which **two** of the following are responsibilities of a business's finance department. [2]

Tick (✓) **two** boxes only.

| | | | |
|-----------------------------------|---|---|---|
| Training staff | 1 | Paying suppliers | 2 |
| Preparing contracts of employment | 3 | Creating a profit and loss account (income statement) | 4 |

2. Identify which **two** of the following are examples of external sources of finance. [2]

Tick (✓) **two** boxes only.

| | | | |
|------------------|---|-----------------|---|
| Government grant | 1 | Retained profit | 2 |
| Sales revenue | 3 | Hire purchase | 4 |



3. Below are a number of business terms and phrases.

Limited company

Cooperative

Interest rates

Inflation

Product portfolio

Product life cycle

Profit

Satisfaction

Identify which of the terms above best describes each of the following:

(a) The term used to describe the general increase in prices over time. [1]

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(b) The range of all the goods and services offered by a business. [1]

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(c) A business that is owned by its members, usually its workers or customers. [1]

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(d) A non-financial motive for entrepreneurs. [1]

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4. Joseph Collins owns a fish and chip restaurant and takeaway in Cardiff. He recorded the number of customers he had each month from April to December.

(a) Using the table below, calculate the average number of customers per month that Joseph had in his fish and chip restaurant and takeaway between April and December. (Show your workings.) [2]

| Month | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC |
|---------------------|------|------|------|------|------|------|------|------|-------|
| Number of customers | 2513 | 3402 | 4691 | 4643 | 5037 | 4324 | 4918 | 8317 | 11652 |

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One of Joseph's aims is to run an ethical business.

(b) Identify **two** ethical business practices a business could use. [2]

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2.

(c) Explain why Joseph may experience problems when operating as an ethical fish and chip restaurant and takeaway. [4]

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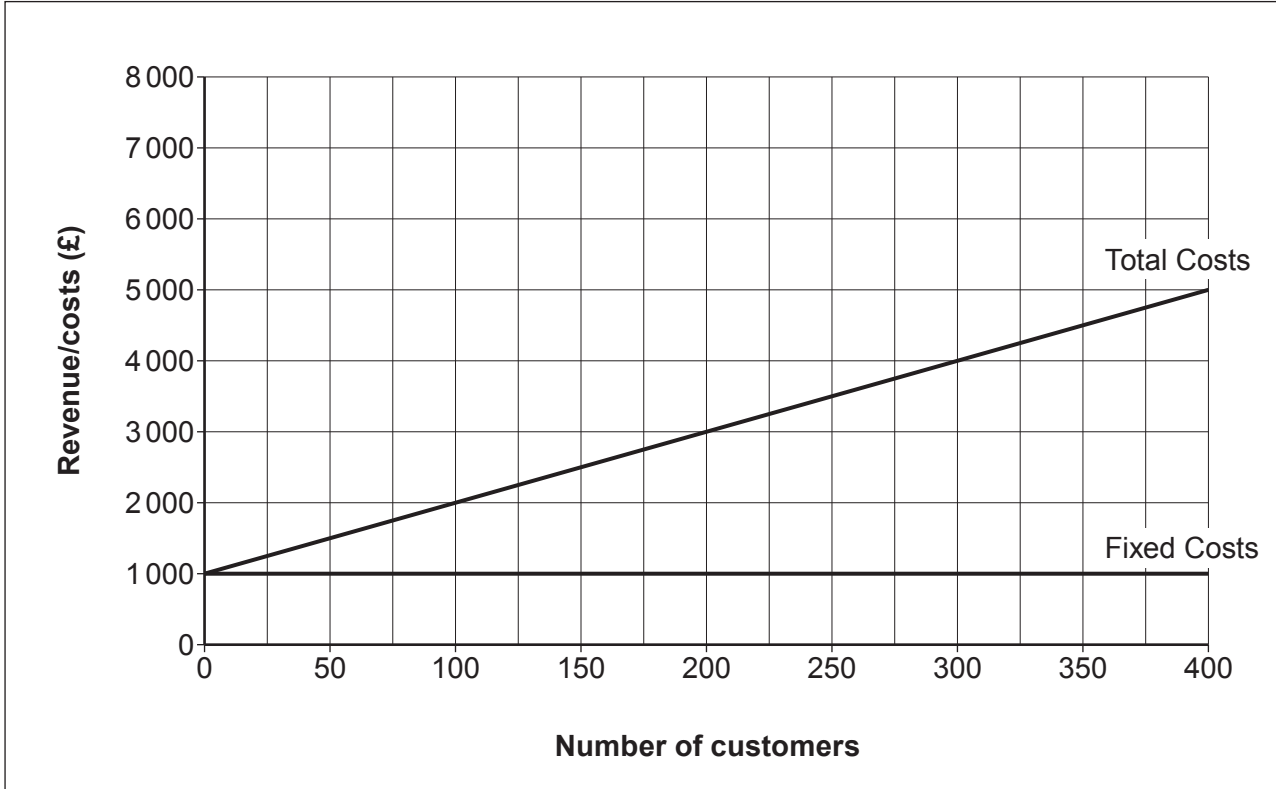
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5. Below is the monthly break-even chart for Noorie’s Nail Bar in Aberystwyth. As well as Noorie, there are two other full-time workers. Noorie currently charges £15 for a nail polish and varnish in her nail bar.



- (a) (i) Using the information above, draw and label the total revenue line on the chart. [1]
- (ii) State the monthly break-even point (number of customers) for Noorie’s Nail Bar. [1]

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Noorie is aware of how economic factors can have an impact on her business.

- (b) Explain how Noorie’s business may be affected by an increase in Income Tax rates. [2]

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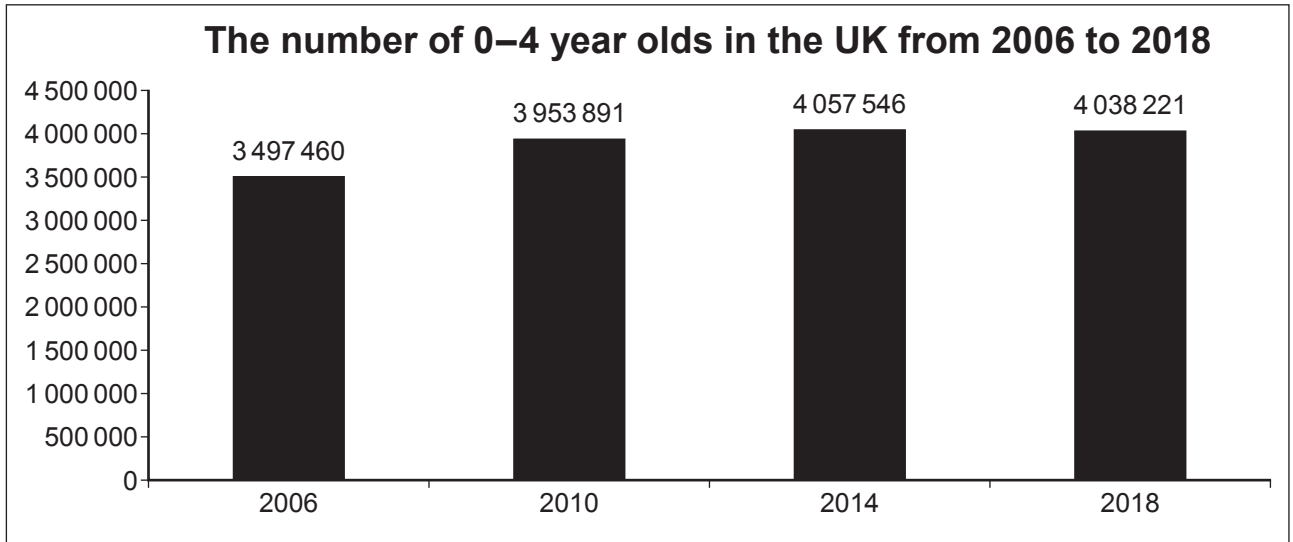
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6. Play and Learn is a nursery for children aged between 3 months and 7 years old. The nursery is owned and run by Penny Howard, a sole trader. She opened Play and Learn after she was made redundant as a primary school teacher in 2010.

Penny continually carries out market research about the childcare industry. The table below is one piece of data that Penny found on the internet.



Source: Adapted from populationpyramid.net

- (a) Using the table above, calculate the percentage increase in 0–4 year olds in the UK between 2006 and 2018. (Show your workings.) [2]

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- (b) With reference to the graph, describe why this data may be important to Penny Howard, the owner of Play and Learn nursery. [3]

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(c) Apart from the internet, suggest **one** other source of secondary (desk) research that a business may use. [1]

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(d) Penny also carries out primary (field) research.

(i) Name **one** method of primary (field) research. [1]

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(ii) Suggest and describe **one** advantage to Penny of carrying out primary (field) research instead of secondary (desk) research. [2]

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Penny Howard is keen to measure the performance of her business.

(e) Explain **one** way that owners can measure the performance of their business. [3]

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7. Designer Sofas UK is an online-only furniture retailer. It does not sell through physical retail stores. Its products are sold to the whole of the UK and some products are exported abroad. The business makes a range of products such as sofas, chairs and tables. Designer Sofas UK has one factory in North Wales where it makes a range of identical standardised furniture products. It also makes individually designed products.

(a) (i) Describe which method of production Designer Sofas UK is likely to use in the manufacture of its **identical standardised** products. [2]

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(ii) Describe which method of production Designer Sofas UK is likely to use in the manufacture of its **individually designed** products. [2]

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Designer Sofas UK designs and manufactures all its products in its North Wales factory. An important part of the production process is computer aided design (CAD) and computer aided manufacture (CAM).

(b) Consider how businesses benefit from using CAD and CAM. [4]

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Designer Sofas UK ensures that it is legally responsible for its staff, for example it allows staff the required number of breaks in a working day. The business also has legal responsibilities towards its customers.

- (c) Outline **one** legal responsibility Designer Sofas UK has towards its **customers**. [2]

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Over the next 5 years Designer Sofas UK aims to increase its market share.

- (d) Discuss how Designer Sofas UK can use the **place** and **product** aspects of the marketing mix to meet this aim. [10]

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8. Gymshark Ltd is an online-only fitness clothing and accessories retailer, co-founded by Ben Francis in 2012. Ben had previously created fitness apps for smartphones when he was unable to find gym clothes that he wanted to wear. He started Gymshark Ltd whilst studying business management at university and working part-time as a pizza delivery driver, for extra income. Since quitting both university and his part-time job, the company has gone on to make sales revenues of £43 million in 2017, £100 million in 2018, £176 million in 2019 and £261 million in 2020.

- (a) Using the information above, describe how Ben Francis displays the characteristics of an entrepreneur. [2]

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- (b) Gymshark Ltd increased sales revenue by 48% between 2019 and 2020.

If sales continue to increase by 48% between 2020 and 2021, calculate Gymshark Ltd's sales revenue for 2021. [1]

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Gymshark Ltd has registered its name and logo to stop other businesses using them.

- (c) Which **one** of the following intellectual property rights is Gymshark Ltd most likely to have used to protect its brand name and logo? [1]

Tick (✓) **one** box only.

| | |
|-----------|--|
| Patent | |
| Copyright | |
| Trademark | |



Gymshark Ltd has a Trust Pilot rating of Excellent (5 stars) for its customer service. Gymshark Ltd only provides online customer service as there is no telephone or face-to-face support. The business allows customers to contact it through live chat (via the website), Facebook Messenger, Twitter Direct Message (DM) and email.

(d) Outline how Gymshark Ltd can provide customer service online. [4]

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Gymshark Ltd recognises the importance of quality. The quality of its products has been rated highly by customers.

(e) Describe the importance to Gymshark Ltd of producing quality products. [4]

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Gymshark Ltd has a unique selling point (USP) of using social media to promote its gym products. The business sponsors “brand ambassadors” who are well-known fitness YouTubers, Instagrammers and bloggers. The brand ambassadors get free clothing from Gymshark Ltd when they demonstrate the products to their followers (on social media) and provide links to the company website. Gymshark Ltd calculates that there are over 20 million followers of its brand ambassadors. Gymshark Ltd believes there are many advantages to using e-commerce and m-commerce in this way.

- (f) Discuss the impact of using social media and blogs on the **owners, customers** and **competitors** of Gymshark Ltd. [8]

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Additional space for Question 8(f) only:

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9. Tata, a multinational company with its headquarters in Mumbai, India, has become a global business with operations all around the world. Tata owns over 100 different companies in a range of markets. For example, Tata owns well-known brands like Jaguar Land Rover (makers of Jaguar and Land Rover cars), Tetley Tea (as part of its Global Beverages business) and Tata Steel.

(a) State **three** reasons why businesses diversify. [3]

- 1.
- 2.
- 3.

As a global business Tata is always looking for the best location for its businesses.

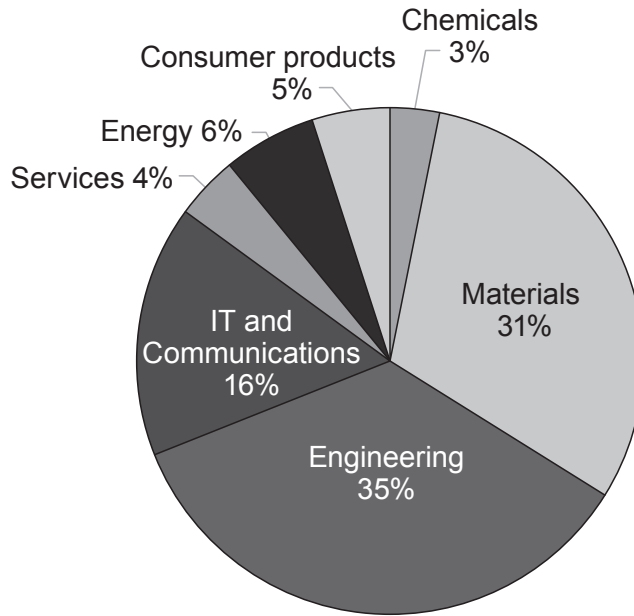
(b) Suggest and explain **two** factors a business might consider before deciding where to locate. [4]

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- 2.
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The graph below shows how each different market contributed to Tata's 100.3 billion (\$) revenue in 2018.

How Tata generated its \$100.3 billion revenue from its different markets in 2018



- (c) Calculate the revenue made by Tata's engineering business in 2018. (Show your answer to 3 decimal places.)

[1]

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Tata is committed to reducing its environmental impact by becoming more sustainable.

- (d) Describe what is meant by the term *sustainability*.

[2]

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Tata has businesses operating in many different markets including cars, finance, metal, watches, logistics, energy, communications (telephones), hotels, chemicals, construction, tea and coffee. Tata employs over 700 000 workers in over 150 countries worldwide with combined revenues of over \$100 billion in 2018. Over \$60 billion of this revenue was made in countries outside India.

(e) Discuss the opportunities and threats to Tata of operating in a global marketplace. [10]

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Additional space for Question 9(e) only:

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