

GCSE (9–1) Business

J204/01 Business 1: business activity, marketing and people

Sample Question Paper

Version 3.2

Date – Morning/Afternoon

Time allowed: 1 hour 30 minutes

You may use:

- A calculator



First name											
Last name											
Centre number							Candidate number				

INSTRUCTIONS

- Use black ink.
- Complete the boxes above with your name, centre number and candidate number.
- Section A and B: answer **all** the questions.
- Write your answer to each question in the space provided.
- Additional paper may be used if necessary, but you must clearly show your candidate number, centre number and question number(s).
- Do **not** write in the bar codes.

INFORMATION

- The total mark for this paper is **80**.
- The marks for each question are shown in brackets [].
- Quality of extended response will be assessed in questions marked with an asterisk (*).
- This document consists of **16** pages.

Section AAnswer **all** the questions.**1** Which of these is an example of digital communication?

- A** A face-to-face interview
- B** A letter
- C** A magazine
- D** A website

Your answer

[1]**2** What is the final stage of the product life cycle?

- A** Decline
- B** Delegation
- C** Distribution
- D** Diversification

Your answer

[1]**3** Which of the following is an internal stakeholder of a business that trades as a partnership?

- A** A customer
- B** A shareholder
- C** A supplier
- D** An employee

Your answer

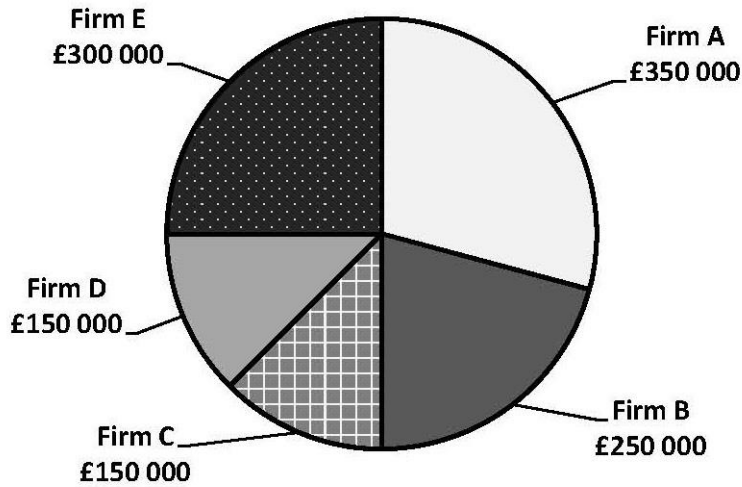
[1]**4** Which of the following are the customers of a business **most** likely to be interested in?

- A** Employee wages
- B** Job security
- C** Product range
- D** Share dividends

Your answer

[1]

- 5 Five firms operate in a market. The pie chart below shows the annual revenue for each of these five firms. Awareness of market share will inform the decisions Firm E need to make to achieve business growth.



What is the market share of Firm E?

- A 25%
- B 30%
- C $33\frac{1}{3}\%$
- D 90%

Your answer

[1]

- 6 Invention involves:

- A behaving dishonestly
- B creating new products
- C developing existing products
- D discrimination in the workplace

Your answer

[1]

- 7 In response to market research data, a hairdressing salon reduces the price it charges for a haircut from £22.00 to £18.00.

The percentage reduction in the price charged for a haircut is approximately:

- A 4.5%
- B 5.5%
- C 18.2%
- D 22.2%

Your answer

[1]

8 Which one of the following is **not** a benefit to a business of improving employee retention?

- A Cost saving
- B Less time spent on recruitment
- C Lower selling price
- D Reduced need for training

Your answer

[1]

9 Who is a director's subordinate?

- A A customer
- B A manager
- C A shareholder
- D A supplier

Your answer

[1]

10 A well-known restaurant chain buys another well-known restaurant chain.

What is this an example of?

- A A horizontal takeover
- B A vertical merger
- C Diversification
- D Innovation

Your answer

[1]

11 One benefit to a hospital of encouraging staff development is:

- A increased skill shortages
- B improved patient care
- C lower morale of doctors and nurses
- D more medical staff can be employed

Your answer

[1]

12 A small business that sells baby clothes has done some market research using a range of information sources.

Which of the following would have been obtained from internal data?

- A Articles in parenting magazines
- B Competitor websites
- C Government statistics on birth rates
- D Sales figures showing the shop's best-selling products

Your answer

[1]

13 Which one of the following is **not** a benefit of being a sole trader?

- A Keep all profits
- B Own boss
- C Pursue personal goals
- D Shared responsibility

Your answer

[1]

14 Which one of the following is a benefit to a flower shop of employing extra temporary sales staff on Valentine's Day?

- A More customers can be served
- B Roses can be sold for cheaper prices
- C The flowers will be fresher
- D Workers can be paid less than the minimum wage

Your answer

[1]

15 A firm only has the resources to introduce one new product to the market. The results of its market research survey are shown below.

- 5% of women and 18% of men said they would consider buying the product.
- Of these, 30% favoured the basic model and 70% favoured the advanced model.

Which one of the following does the market research suggest it would be best for the firm to do?

- A Produce the advanced model and target men
- B Produce the advanced model and target women
- C Produce the basic model and target men
- D Produce the basic model and target women

Your answer

[1]

Section B

Answer **all** the questions.

16

Text 1

Boohoo.com



Boohoo was started in 2006 by two entrepreneurs who had the idea of starting a business where customers could buy the latest fashions online.

Boohoo has expanded using organic growth, and has become a global online retailer of its own brand clothes, shoes and accessories. It now sells in over 100 countries. Boohoo charge for delivery. It has millions of website users per month.

The target market for the Boohoo brand is men and women who are 16 to 24 years old and are fashion conscious. To reach this market, Boohoo uses social media. The business is active on Facebook, Twitter, YouTube and Instagram.

Boohoo has also introduced apps for smartphones and tablets that allow customers to browse and buy products very easily.

(a) State **two** characteristics of an entrepreneur.

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..... [2]

(b) Explain how Boohoo may have expanded using 'organic growth'.

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..... [2]

(c) Explain **one** advantage to Boohoo of using market segmentation.

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..... [2]

(d) Explain how Boohoo’s objectives may have changed since 2006.

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..... [2]

(e) Analyse **one** disadvantage to a customer of Boohoo’s distribution channel.

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..... [3]

(f) Boohoo uses social media to promote its products.

(i) State **one** advantage to a business of using social media to promote its products.

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..... [1]

(ii) State **one** disadvantage to a business of using social media to promote its products.

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..... [1]

Text 2

McDonald's

Six weeks ago James saw an advertisement for a job at McDonald's. He went into the restaurant and was given an application pack, including a job description, a person specification and a link to an online application form.

James completed the application form and emailed it to the restaurant. A manager then telephoned James and asked him to come for an interview at the restaurant. James had to bring his GCSE certificates to the interview. After the interview, James had to do a group activity where he was asked to complete a task as a member of a team.

James was very pleased to get a letter two weeks ago offering him a job. Included with the letter was a contract of employment, which he has to sign and bring with him on his first day of work. His starting wage will be £7.00 per hour, with a 10% increase after he has been fully trained.

(a) Identify **one** item of content in:

(i) a job description

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..... [1]

(ii) a person specification

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..... [1]

(b) Identify **two** methods that McDonald's used to select James as an employee.

1
2 [2]

(c) State **one** way in which the law affects business recruitment.

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..... [1]

(d) Analyse **one** way in which McDonald's could use each of these types of training for James.

(i) Induction training

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(ii) On-the-job training

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(iii) Off-the-job training

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..... [3]

Text 3**Shirtz Ltd**

Shirtz Ltd is a private limited company owned by Shamira and her husband, Zubair. The business manufactures colourful T-shirts with logos and pictures on the front.

Shirtz Ltd has been operating from a room in their house. Shamira and Zubair make the T-shirts and sell them through online stores such as Amazon and eBay.

Shamira and Zubair would like to expand the business. They have created a business plan to help them.

Shirtz Ltd's business plan**Aims and objectives**

To grow by purchasing new machinery and renting a new location for production

Finance

New finance will be required to fund the business' aims and objectives

Business needs

- New machinery
- Larger premises/location for production

Market research

Price per T-shirt	Estimated sales (T-shirts per month)
£18	600
£16 (current price)	800
£14	1000

Changes to the marketing mix

Product – expand the range of T-shirts produced and sold

Price – set price to gain highest revenue

Place – develop links with a high street shop to sell Shirtz Ltd's products

Promotion – use point of sale promotion

Human resources

Employ two full-time production workers

- (a) Analyse **two** benefits to Shamira and Zubair of Shirtz Ltd being a private limited company.

Benefit 1

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Benefit 2

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[6]

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..... [9]

(c) Identify which price the market research suggests Shirtz Ltd should charge to obtain the highest revenue.

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..... [1]

(d) (i) Analyse how the proposed changes to Shirtz Ltd's marketing mix might impact on two stakeholder groups.

Stakeholder group 1

Impact

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Stakeholder group 2

Impact

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[6]

