

GCSE (9–1) Business

J204/02 Business 2:

operations, finance and influences on business

Sample Question Paper

Version 3.1

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 A

Answer **all** the questions.

1 What is e-commerce?

- A A method used to ensure quality
- B A planning tool
- C A type of bank loan
- D A way to sell goods on the Internet

Your answer

[1]

2 David works in a biscuit factory and is responsible for procurement.

Which task is **not** likely to be part of David's job role?

- A Buying sugar
- B Ordering biscuit packaging materials
- C Purchasing stationery
- D Selling biscuits

Your answer

[1]

3 A market stall sells bread for £1 a loaf and cookies for 60p each. Yesterday 1000 loaves of bread and 2000 cookies were sold.

What was the market stall's revenue?

- A £200
- B £1000
- C £1200
- D £2200

Your answer

[1]

4 Sabena works for a small business that makes computers. Her main task is to test every computer before it leaves the factory.

What key business function does Sabena perform?

- A After sales service
- B Quality control
- C Setting production levels
- D Supply chain management

Your answer

[1]

- 5 A manufacturer has decided to run a marketing campaign on national television in a month's time.

As a result of this decision, which one of the following actions might also be necessary?

- A Finance should stop monitoring cash flow
- B Human resources should employ some temporary production workers
- C Operations management should reduce output
- D Purchasing should buy smaller quantities of raw materials

Your answer

[1]

- 6 Choosing how products will be delivered to customers is an example of a:

- A flow production issue
- B liquidity problem
- C logistical decision
- D purchasing concern

Your answer

[1]

- 7 A cash flow forecast for Millican Garage is shown below.

	July	August	September
	£	£	£
Cash inflow:			
Revenue	13 055	12 200	12 945
Total inflow	13 055	12 200	12 945
Cash outflow:			
Car parts	4 200	4 240	3 900
Wages	3 100	3 250	4 450
Overheads	5 500	5 500	5 500
Total outflow	12 800	12 990	13 850
Net cash flow	255	-790	-905
Opening balance	1 760	2 015	1 225
Closing balance	2 015	1 225	

What is Millican Garage's closing balance for September?

- A -£2 130
- B £320
- C £2 130
- D £12 040

Your answer

[1]

8 A company operates in several countries.

This is an example of:

- A a multinational organisation
- B customer engagement
- C international branding
- D operations management

Your answer

[1]

9 Gross profit margin is:

- A a computerised method of production
- B a financial ratio
- C a pricing method
- D a variable cost

Your answer

[1]

10 Which one of the following businesses is most likely to use telesales?

- A A burger van
- B A petrol station
- C A school
- D An insurance company

Your answer

[1]

11 Consumer law requires shops to sell goods that are:

- A cheap
- B high quality
- C safe
- D unique

Your answer

[1]

12 A sole trader is short of cash to pay a supplier this month.

She should:

- A buy higher quality products
- B improve customer service
- C get an overdraft
- D repay her loan

Your answer

[1]

- 13 A business has a net profit margin of 8%.

Which one of the following must be true for this business?

- A The business cannot pay its short term debts
- B The business has made a loss
- C The business has revenues that are greater than its costs
- D The business is operating below its break even level

Your answer

[1]

- 14 An entrepreneur makes individual handmade prom dresses to order.

What method of production does the entrepreneur use?

- A Automated
- B Batch
- C Flow
- D Job

Your answer

[1]

- 15 The production costs for Jimco plc were £21.3 million in 2015 and £22.9 million in 2016.

What is the approximate increase between 2015 and 2016 in Jimco plc's production costs?

- A 0.9%
- B 1.6%
- C 7.0%
- D 7.5%

Your answer

[1]

Section B

Answer **all** the questions.

16

Text 1

Jaguar Land Rover

(Picture redacted due to third party copyright restrictions)

Jaguar Land Rover (JLR) is one of the largest manufacturers of cars in the UK. The business buys some of the parts it uses to make the cars from the UK; other parts are bought from overseas. JLR specialises in producing luxury cars. JLR's main competitors are German car manufacturers - BMW and Mercedes.

In recent years, sales of JLR cars have been affected by:

- the slowdown of consumer spending in China and Russia
- the increase in consumer spending in Europe.

(a) Explain **two** reasons why quality is important to JLR.

Reason 1

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Reason 2

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(d) (i) Analyse **two** impacts of globalisation on JLR.

Impact 1

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Impact 2

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[6]

(ii) JLR must consider the impact of globalisation when making business decisions.

Recommend which impact of globalisation is most likely to affect JLR? Give reasons for your answer.

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[3]

Text 2

MD Sports Clinic

Martina Doyle currently works for the National Health Service (NHS). She has total savings of just over £5000 in her bank account. Martina is planning to leave the NHS and start up a private sports injury clinic. She intends to call her new business 'MD Sports Clinic'.

Martina wishes to rent a property for her new business and expects to pay rent each month. She wants to take a monthly income from the business. She also wants to employ a part time receptionist.

Martina needs to buy some equipment to set up MD Sports Clinic. She has estimated the following figures for MD Sports Clinic's first month of trading:

- fixed costs of £6000
- variable costs of £5 per session
- revenue of £30 per session.

(a) Identify **one** factor that a new business like Martina's should consider when choosing a location for its business.

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..... [1]

(b) Explain, giving an example, what is meant by 'fixed costs'.

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..... [2]

- (c) Calculate the number of sessions MD Sports Clinic would need to break-even in its first month of trading.

Show your workings.

Answer: sessions

[4]

- (d) Calculate the profit that MD Sports Clinic would make in its first month of trading if Martina sold all 320 sessions.

Show your workings.

Answer: £

[4]

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..... [7]

Text 3

NEXT plc.



NEXT plc. is a clothing retailer selling clothing, footwear, accessories and home products through its high street shops and online across the UK. NEXT plc. understands the importance of creating good relationships with its customers and constantly tries to improve its levels of customer service. Customer service is important for NEXT plc.

For NEXT, responsible business behaviour includes addressing key business-related social, ethical and environmental impacts in a way that aims to bring value to all its stakeholders, including its shareholders. NEXT plc. sources products from many suppliers across the world. The company takes its environmental and ethical responsibilities very seriously.

- (a) State **one** example of good customer service that retailers may provide for their customers.

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 [1]

- (b) Analyse **one** way in which being environmentally friendly could impact on each of the following:

- (i) NEXT plc.'s marketing function

.....

 [3]

