Centre Number			Candidate Number			]	For Exam	iner's Use
Surname								
Other Names							Examine	r's Initials
Candidate Signature								
						1	Question	Mark



General Certificate of Secondary Education June 2015

# **Business Studies**

## 413002

Examine	r's Initials
Question	Mark
1	
2	
3	
TOTAL	

Unit 2 Growing as a Business

Friday 5 June 2015 9.00 am to 10.00 am

**You will need no other materials.** You may use a calculator.

## Time allowed

1 hour

## Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions.
- You must answer the questions in the spaces provided. Do not write outside the box around each page or on blank pages.
- Do all rough work in this book. Cross through any work you do not want to be marked.

## Information

- The marks for questions are shown in brackets.
- The maximum mark for this paper is 60.
- You are reminded of the need for good English and clear presentation in your answers. Quality of Written Communication will be assessed in questions 1(d), 2(c) and 3(d).





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

## Total for this question: 19 marks

Read **Item A** and then answer the guestions that follow.

1

#### Item A

#### **Paintball Army Limited**

Paintball Army Limited (PA Ltd) was set up 10 years ago. The paintball site is outdoors and near to a town. There is a small café serving snacks, but it is only open for 3 hours a day.

Over the last 2 years the number of customers playing paintball has gone down. There are other paintball sites near PA Ltd which have better facilities, such as new changing rooms and modern cafés.

David, the managing director of PA Ltd, is thinking about extending his product portfolio by offering other games. David has heard about laser tag and how it is becoming a popular activity. Laser tag is played in the same way as paintball, but uses an infrared gun. The nearest laser tag centre is many miles away.

David knows that there is a large indoor space that is available at a new retail park. It would be more expensive to run but the site has room for a large café, which is what many of PA Ltd's customers want. There is free parking and a large outdoor area that could be developed in the future.

David wants to attract new customers to his business, but keep his regular customers as well. He will need to carefully think about his pricing strategy if he moves to the new site.



Source: photograph, Getty Images



			Turn over ►
		Question 1 continues on the next page.	
		Question 1 continues on the next next	
		Extra space	
		Reason 2	
		Extra space	
		Reason 1	[4 marks]
1	(b)	Explain <b>two</b> reasons why PA Ltd might move to the new location.	
		Feature 2	
		Feature 1	
1	(a)	State <b>two</b> features of a private limited company.	[2 marks]
1	(a)	State <b>two</b> features of a private limited company	



1	(c)	Explain how increasing its product portfolio might help PA Ltd. [4 marks]
		Extra space
1	(d)	If David moves his business to the retail park he will want to attract new customers as well as keep his old customers. He knows he will need to get the pricing strategy right.
		Recommend a suitable pricing strategy for David. Use Item A to support your answer.
		[9 marks]

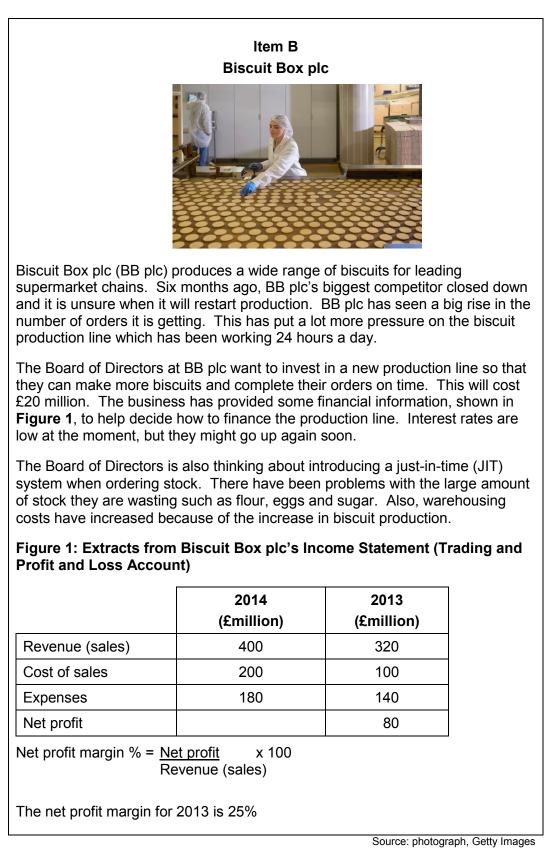
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## Total for this question: 20 marks

Read **Item B** and then answer the questions that follow.





2	(a)	(i)	Using the formula in <b>Item B</b> , calculate BB plc's net profit margin for <b>2014</b> . Show your workings.
			[2 marks]
			Net profit margin
			Workings
2	(a)	(ii)	BB plc's net profit changed between 2013 and 2014.
			Explain <b>one</b> way this change might have affected the business. [3 marks]
			Extra space
			Outpetien 2 continues on the next news
			Question 2 continues on the next page.
			Turn over ▶

2	(b)	BB plc is thinking about introducing a JIT system for ordering stock. advantage and <b>one</b> disadvantage to BB plc of the JIT system.	Explain one [6 marks]
		Advantage	
		Extra space	
		Disadvantage	
		Extra space	

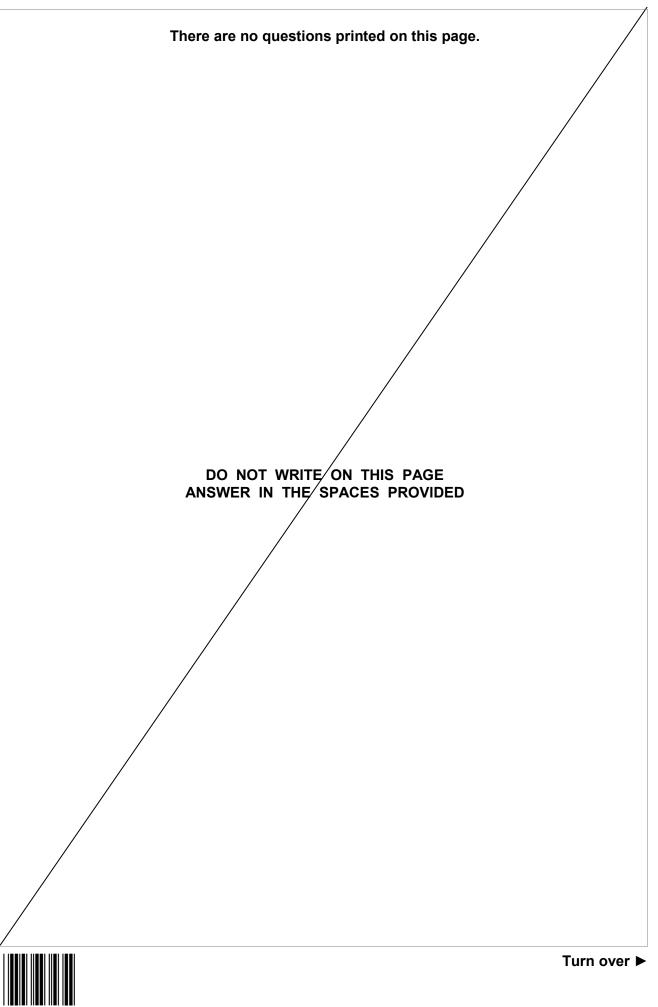


2	(c)	Advise the Board of Directors at BB plc how they should finance the ne production line. Use <b>Item B</b> to support your advice.	ew
			[9 marks]
		Extra space	



## Turn over for the next question.





## Total for this question: 21 marks

Read Item C and then answer the questions that follow.

## Item C

## **James Personnel Limited**

Kate James started James Personnel Limited (JP Ltd) 5 years ago. The business specialises in the supply of temporary office staff (known as temps) and operates from a large office in Warrington with smaller offices in nearby towns. Recently, JP Ltd merged with another local employment agency. This means that it can compete with the bigger agencies in the north of England. JP Ltd has customers that include small businesses and large international companies.

The market for providing temps is very competitive and Kate is thinking how she could improve the reputation of JP Ltd to attract more customers.

With the increasing use of the internet to contact customers and temps in the area, Kate believes that she could operate better from one central office. JP Ltd would no longer need employees in the smaller offices which would mean that some of the staff would be made redundant. Having a central office would mean that Kate could more easily check on the quality of the services provided to customers.

The threat of redundancies has caused JP Ltd staff to become de-motivated. Kate realises that she needs to think of new ways to encourage her staff to be happier in the work that they do.

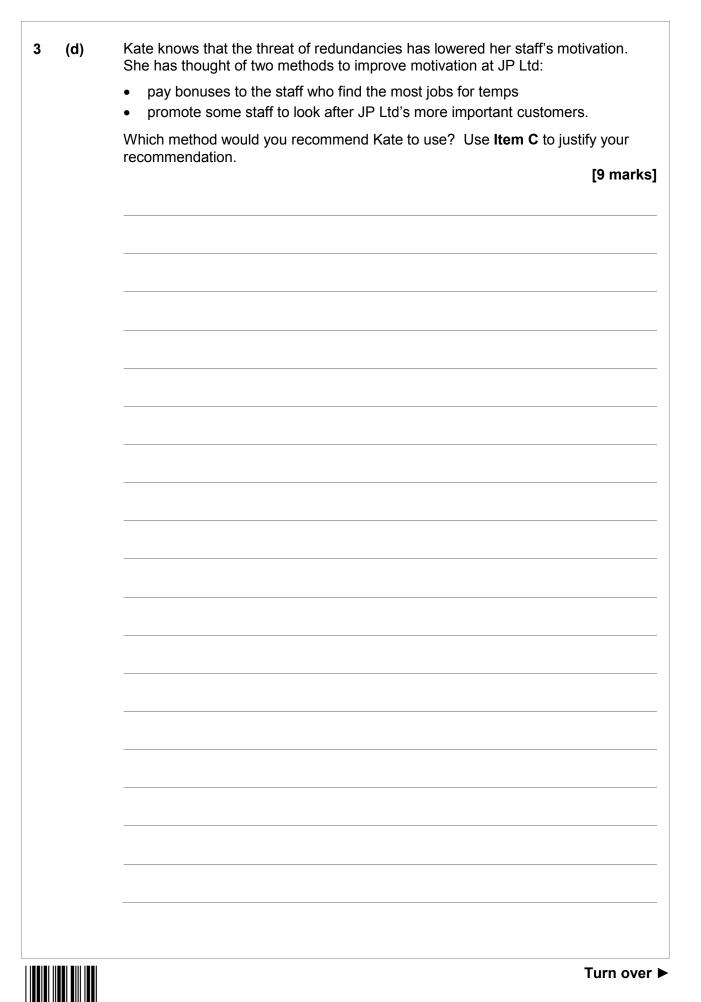


Source: photograph, Getty Images



erging with a similar business. [2 marks]
recruit high quality temps. <b>[4 marks]</b>
Turn over ► IB/G/Jun15/413002

3	(c)	Explain <b>one</b> advantage and <b>one</b> disadvantage to JP Ltd of operating fr central office.	om one	
			[6 marks]	
		Advantage		
		Extra space		
		Disadvantage		
		Disadvantage		
		Extra space		



	Extra space
	END OF QUESTIONS
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