



General Certificate of Secondary Education  
2017

Centre Number

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Candidate Number

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# Business Studies

Unit 1  
Business Start Up

[GBS11]

**WEDNESDAY 24 MAY, MORNING**



### TIME

1 hour 20 minutes, plus your additional time allowance.

### INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number in the spaces provided at the top of this page.

**You must answer the questions in the spaces provided.**

**Do not write outside the boxed area on each page or on blank pages.**

Complete in black ink only.

Answer **all four** questions.

### INFORMATION FOR CANDIDATES

The total mark for this paper is 75.

Figures in brackets printed down the right-hand side of pages indicate the marks awarded to each question or part question.

Quality of written communication will be assessed in question **4(g)**.

**Answer all questions**

1 (a) Complete the spaces below:

A \_\_\_\_\_ [1] is one person setting up and running a business. This type of business ownership has \_\_\_\_\_ [1] liability, meaning debts of the business can extend to personal possessions. Ltd stands for \_\_\_\_\_ [1]. This type of business ownership has \_\_\_\_\_ [1] liability and allows finance to be raised by selling \_\_\_\_\_ [1] to \_\_\_\_\_ [1]. [6]

(b) Write down **one** reason why someone might want to start up a business. Do not use profit as a reason.

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[2]

(c) What does enterprising mean?

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[2]

(d) Explain **two** reasons why the government encourages enterprise.

1. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ [4]

- 2 (a) Complete the following table to suggest a suitable aim or stakeholder for each of the following businesses.

Some have been completed for you. You may use each aim or stakeholder only once.

Business	Aim	Stakeholder
JJ Preston Ltd	growth	employees
McDonald's	[1]	[1]
Tesco	[1]	suppliers
Belfast Zoo	survival	[1]

[4]

- (b) Explain how **two** moral and ethical issues might impact on business aims.

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[4]

JJ Preston Ltd has the aim of growth and it is considering becoming a plc.

(c) Discuss **two** benefits to the business of becoming a plc.

1. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ [2]

2. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ [2]

(d) Examine how decision making would change within the business if it were to become a plc.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ [4]

[Turn over

3

CW Drinks is a large scale soft drinks manufacturer. Production cannot take place without the factors of production.

(a) Name **each** factor of production and explain how a business such as CW Drinks makes use of **each** one.

Factor and use

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[2]



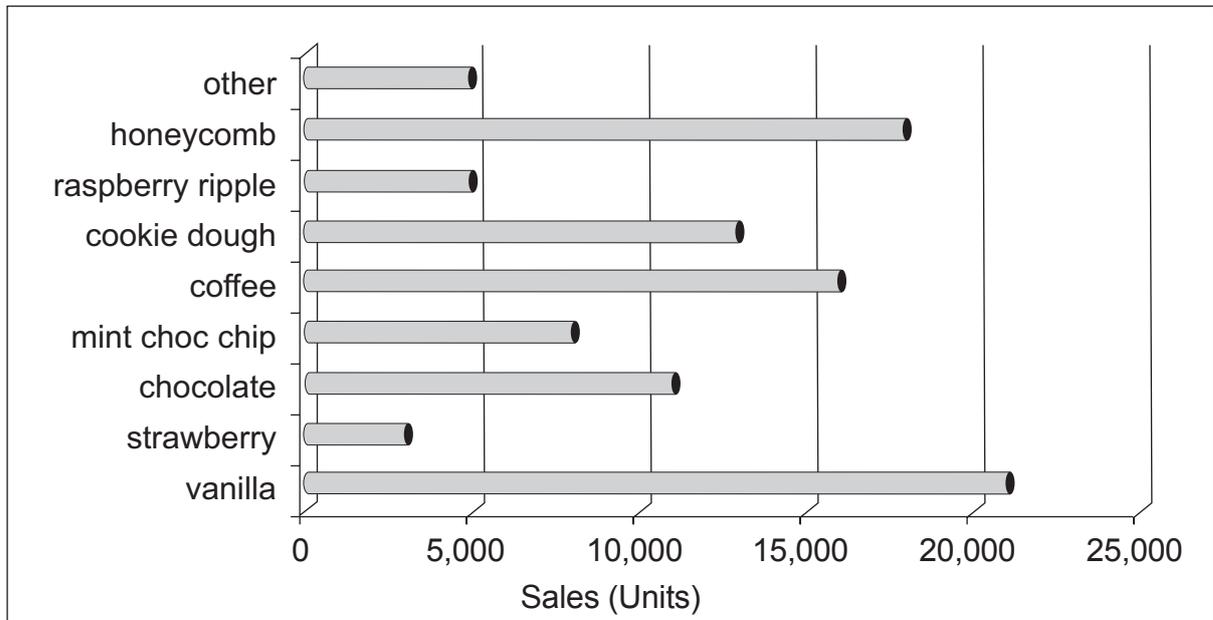


4

CafelCE is a new coffee and ice cream café in Belfast. It faces a lot of competition from similar cafés and knows that it is important to keep up with recent market research. The owners used the internet to find the following information.

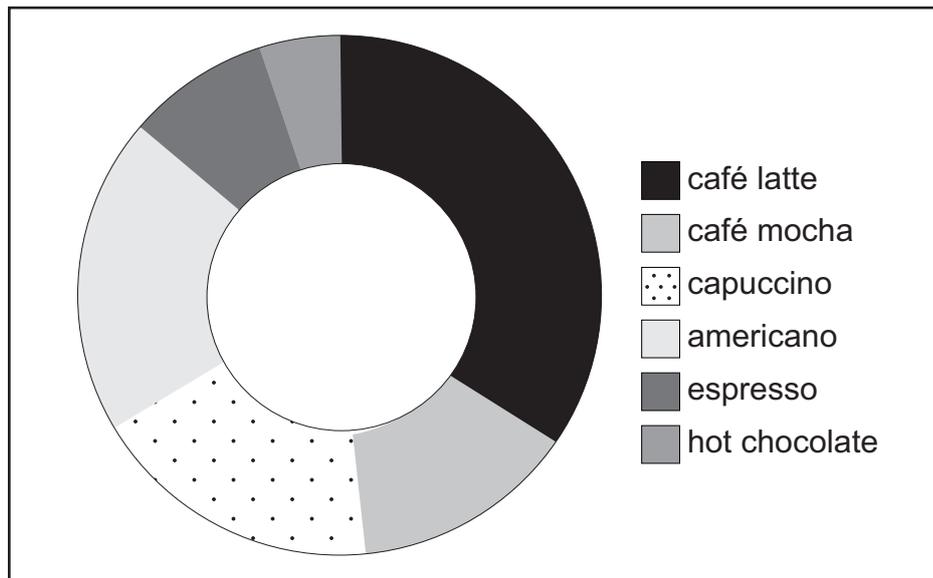
Study the market research results below:

**Chart 1: Graph to show most popular ice cream flavours – 2016**



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**Chart 2: Pie chart to show most popular drinks – 2016**



© CCEA

(a) From the market research information:

(i) Identify the most popular flavour of ice cream.

\_\_\_\_\_ [1]

(ii) Identify the most popular type of coffee.

\_\_\_\_\_ [1]

(b) Identify and explain the method of market research used by CafeICE.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ [3]

(c) Explain how CafeICE might be able to use this market research information.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ [4]

[Turn over

(d) Suggest what other information might be useful to CafeICE. Do not use research data already gathered.

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[2]

CafeICE makes use of market segmentation and competitor based pricing.

(e) Explain the term market segmentation.

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[2]

(f) What is the difference between competitor based pricing and skimming?

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[4]



(g) Identify and evaluate **two** strategies that CafeICE could use to manage its competition.

1. \_\_\_\_\_  
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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_  
\_\_\_\_\_

[10]

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**THIS IS THE END OF THE QUESTION PAPER**

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**DO NOT WRITE ON THIS PAGE**

For Examiner's use only	
Question Number	Marks
1	
2	
3	
4	

<b>Total Marks</b>	
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Examiner Number

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