



General Certificate of Secondary Education
2018

Centre Number

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Candidate Number

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Business Studies

Unit 2

Business Development

MV18

[GBS21]

WEDNESDAY 6 JUNE, AFTERNOON

Time

1 hour 40 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 on blank pages.

Complete in black ink only.

Answer **all three** questions.

Information for Candidates

The total mark for this paper is 90.

Quality of written communication will be assessed in Questions **1(h)**, **2(a)** and **3(f)**.

Figures in brackets printed at the end of each question indicate the marks awarded to each question or part question.

Answer **all** questions

1 Choco Limited is a large, successful factory which manufactures chocolate products. The factory needs to employ a production manager and has advertised the post.

(a) Each applicant for the post of Production Manager will be given a Job Description. Explain **one** purpose of a Job Description. [2 marks]

(b) Choco Limited has already drawn up a Person Specification for the post of Production Manager. Explain **one** purpose of a Person Specification. [2 marks]

(c) Choco Limited has decided to use external recruitment for the new manager. Explain **two** advantages of external recruitment from the employer's point of view. [4 marks]

1. _____

2. _____

(d) Choco Limited uses an Application Form as its method of selection of managers. Explain **two** advantages for the employers of using application forms. [4 marks]

1. _____

2. _____

(e) Explain the legal controls on disability and gender which Choco Limited must be aware of when recruiting new members of staff. [4 marks]

Disability _____

Gender _____

(f) The job satisfaction of the present employees at Choco Limited is very good. Describe **two** factors which affect the job satisfaction of employees. [4 marks]

1. _____

2. _____

(h) Choco Limited provides training for all employees.
Describe **three** reasons why training is important.
[6 marks]

1. _____

2. _____

3. _____

2 The Directors of Choco Limited want the company to continue to be successful and to grow.

(a) Discuss **three** benefits for Choco Limited of further growth of the company. [6 marks]

1. _____

2. _____

3. _____

(b) Further growth of the company may also have disadvantages. Explain **three** possible disadvantages for Choco Limited of further growth. [6 marks]

1. _____

2. _____

3. _____

(c) The Directors have decided to use internal/organic methods of growth.
Explain the meaning of 'internal/organic growth'.
[2 marks]

(d) Discuss **three** ways in which Choco Limited could grow internally/organically. [6 marks]

1. _____

2. _____

3. _____

(e) Describe **one** social/moral advantage and **one** social/moral disadvantage to the local community if Choco Limited continues to grow. [4 marks]

Advantage: _____

Disadvantage: _____

(f) Choco Limited has a large international market. Explain **one** effect of international trade on the following elements of the marketing mix. [6 marks]

Product _____

Price _____

Promotion _____

3 In January 2017, Choco Limited rented a part of the building to Caroline to open The Choco Restaurant for the workers and visitors to the factory.

(a) Before Caroline opened The Choco Restaurant, she wrote a Business Plan. Explain **two** reasons why it is important for a business to have a Business Plan.

[4 marks]

1. _____

2. _____

(b) Name **two** components which Caroline should have included in the Business Plan for the restaurant.

[2 marks]

1. _____

2. _____

(c) Caroline knows that she must have a steady cash flow in her business.

Explain **two** reasons why cash flow is important in a business. [4 marks]

1. _____

2. _____

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(Questions continue overleaf)

- (d) At the end of her first year in The Choco Restaurant, Caroline produced a Statement of Financial Position. Some amounts are missing.

Statement of Financial Position as at 31 December 2017

	£	£
Non Current Assets		
Restaurant Furniture		
Kitchen Equipment	15 000	
Total Non Current Assets		47 000
Current Assets		
Closing Inventory	1 500	
Cash Balance	1 000	
Bank Balance		
Total Current Assets		9 500
Total Assets		
Equity		
Capital	20 000	
Add Net Profit		
	32 000	
Less Drawings		
Total Equity		23 000
Non Current Liabilities		
Loan		25 000
Current Liabilities		
Trade Payables		8 500
Total Equity and Liabilities		

Calculate the following amounts: [1 mark for each]

Value of the restaurant furniture _____

Bank Balance _____

Total Assets _____

Net Profit _____

Drawings _____

Total Equity and Liabilities _____

(e) Explain the meaning of each of the following terms used in the Statement of Financial Position:
[2 marks for each]

Current Assets _____

Closing Inventory _____

Trade Payables _____

Capital _____

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

Total Marks	
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Examiner Number

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