



General Certificate of Secondary Education  
2012

Centre Number

71

Candidate Number

**Business Studies**

Unit 2: Business Development

[GBS21]

WEDNESDAY 30 MAY, MORNING



**TIME**

1 hour 40 minutes.

**INSTRUCTIONS TO CANDIDATES**

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

Write your answers in the spaces provided in this question paper. There should be enough extra space for your answers. If you do require more space, you may complete your answers on the extra lined pages at the back of this book.

Answer **all three** questions.

**INFORMATION FOR CANDIDATES**

The total mark for this paper is 90.

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 questions **1(e)**, **2(e)**, and **2(f)**.

For Examiner's  
use only

Question Number	Marks
1	
2	
3	

<b>Total Marks</b>	
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Answer **all** questions

1

The Blue Waves Hotel is a large, four-star hotel situated in a seaside resort.

- (a) The Blue Waves Hotel uses internal recruitment methods whenever possible. Explain **one** advantage of internal recruitment for the **hotel** and **one** advantage of internal recruitment for the **employees** in the hotel.

Advantage for the hotel \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Advantage for the employees \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

- (b) The Blue Waves Hotel uses testing as its method of selection of some new employees. Explain **one** important advantage for the hotel of this method, and name **one** type of hotel employee for whom it would be suitable.

Advantage for the hotel \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

Type of hotel employee \_\_\_\_\_ [1]

Examiner Only

Marks

Remark

- (c) The Blue Waves Hotel places great importance on staff training. Discuss **two** reasons why it is important for the hotel to have fully-trained employees.

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

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

- (d) Analyse **three** factors which could affect the job satisfaction of the employees in The Blue Waves Hotel.

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ [6]

Examiner Only	
Marks	Remark



2

Marie and Michael are planning to open a shop to sell antique furniture. They plan to call the shop "2M".

- (a) The first step which Marie and Michael took was to develop a Business Plan. Explain **two** reasons why it is important for a business to have a Business Plan.

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

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

- (b) Identify **two** components which Marie and Michael should include in their Business Plan.

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

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

- (c) Marie and Michael hope that, eventually, 2M will grow internally/organically. Explain the meaning of internal/organic growth.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

Examiner Only	
Marks	Remark

(d) Apart from trading on-line, identify **three** methods by which 2M might achieve internal/organic growth. Analyse the implications for 2M of **each** of those methods, stating both positive and negative implications.

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ [9]

Examiner Only

Marks Remark

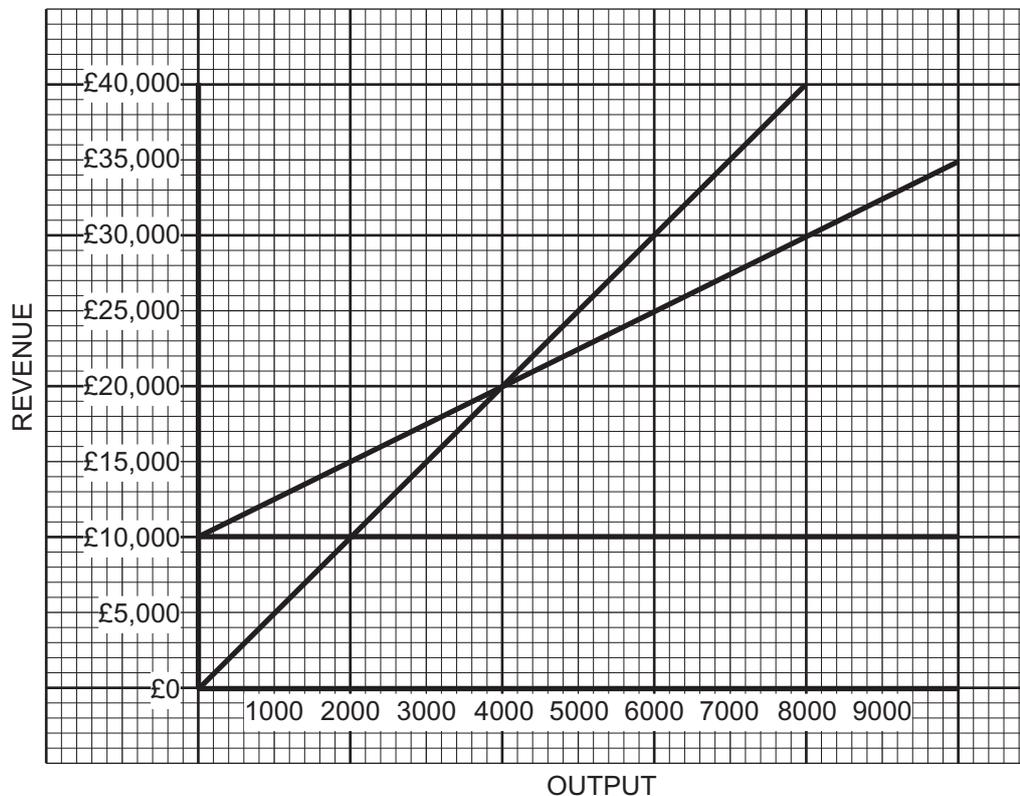




3

Office Essentials Ltd manufactures small office equipment.  
One of its popular products is a desk calculator.

The breakeven chart for the company's best-selling calculator is shown below:



(a) Insert the following labels on the Breakeven Chart:

Breakeven Point  
Fixed Costs  
Total Costs  
Total Sales  
Area of Profit  
Area of Loss

[6]

(b) Study the Breakeven Chart and state the figures for the following:

Output at breakeven point \_\_\_\_\_ [1]

Sales revenue at breakeven point \_\_\_\_\_ [1]

Fixed costs \_\_\_\_\_ [1]

The output making a total sales revenue of £30,000 \_\_\_\_\_ [1]

The sales revenue at an output of 8000 calculators \_\_\_\_\_ [1]

The total costs of manufacturing 7000 calculators \_\_\_\_\_ [1]



At the end of the year, the following figures were extracted from the Final Accounts of Office Essentials Ltd:

Net Profit	£21,000
Sales	£105,000
Cost of Goods Sold	£60,000
Average Stock	£20,000

- (e) Use the figures and the following formula to calculate the Net Profit Percentage for Office Essentials Ltd and show your calculations in the space provided:

$$\text{Net Profit Percentage} = \frac{\text{Net Profit}}{\text{Sales}} \times 100$$

Net Profit Percentage \_\_\_\_\_ [2]

- (f) Use the figures and the following formula to calculate the Stock Turnover Rate for Office Essentials Ltd and show your calculations in the space provided:

$$\text{Stock Turnover Rate} = \frac{\text{Cost of Goods Sold}}{\text{Average Stock}}$$

Stock Turnover Rate \_\_\_\_\_ [2]

Examiner Only	
Marks	Remark







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

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