



General Certificate of Secondary Education  
2012

Centre Number

71

Candidate Number

## Business Studies

### Unit 1: Business Start Up

[GBS11]

TUESDAY 22 MAY, AFTERNOON



#### TIME

1 hour 20 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 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 questions **4c** and **4d**.

For Examiner's  
use only

Question Number	Marks
1	
2	
3	
4	

Total  
Marks

Answer **all** questions

1

“A ‘franchise’ is an agreement between two parties which allows one party, i.e. the franchisee, to market products or services using the trademark and operating methods of the other party, i.e. the franchisor”.

Source: *whichfranchise.com*

(a) List **two** examples of businesses which operate as franchises.

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

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

(b) Discuss **two** advantages for a franchisor of a franchise.

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

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

Examiner Only

Marks	Remark



(e) Identify **one** internal and **one** external source of finance which might be available to L&L Flowers and explain **one** advantage and **one** disadvantage of each source.

Internal Source \_\_\_\_\_

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External Source \_\_\_\_\_

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[6]

Examiner Only	
Marks	Remark



- 3 (a) Complete **Fig. 1** to name the **type** of production of each of the businesses.

Business	Type of production
Marks & Spencer	
Springvalley Farm	
E Matthews Manufacturing Ltd	

**Fig. 1**

[3]

- (b) What is the most appropriate **method** of production for the following producers:

Wedding Dress Designer \_\_\_\_\_ [1]

A Bakery \_\_\_\_\_ [1]

Coca Cola \_\_\_\_\_ [1]

- (c) Explain **two** factors which might affect the price of a designer wedding dress.

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

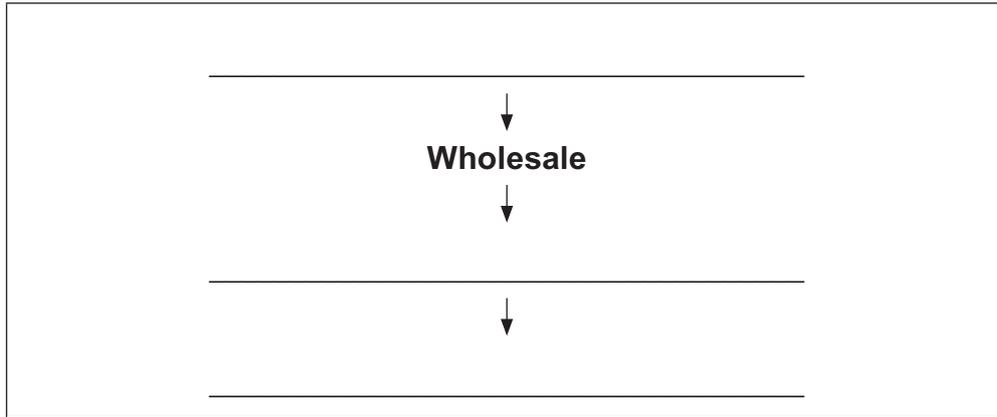
\_\_\_\_\_ [4]

Examiner Only

Marks Remark



(f) Complete the diagram to represent one channel of distribution used by a company such as Coca Cola.



[3]

(g) Discuss **one** advantage and **one** disadvantage for Coca Cola of using a wholesaler to distribute its product.

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[4]

Examiner Only	
Marks	Remark

4 (a) Define the term "Marketing".

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[2]

(b) Name a suitable method of advertising for the following situations:

Situation	Method of Advertising
A school is having an Open Night for Primary 7 pupils	
The local council wants the public to know when it is switching on the Christmas lights	
Marks & Spencer are having a sale	

[3]

Examiner Only	
Marks	Remark

(c) Discuss **two** different methods of sales promotion which a retailer might use.

Method 1 \_\_\_\_\_

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Method 2 \_\_\_\_\_

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[6]

Examiner Only	
Marks	Remark







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

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