



Rewarding Learning

General Certificate of Secondary Education
2013

Centre Number

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Candidate Number

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Business Studies

Unit 2

Business Development



[GBS21]

GBS21

FRIDAY 24 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.

Complete in blue or black ink only. **Do not write in pencil or with a gel pen.**

There should be enough 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 **3(g)**.



2

Environmental Plastic plc is a medium-size company which manufactures a range of plastic containers and bags. The company is based in Downpatrick.

- (a) The directors of Environmental Plastic plc believe that the company could achieve greater economies of scale if it became larger. Explain the term “economies of scale” and explain **one** way in which Environmental Plastic plc might achieve economies of scale.

[4]

Examiner Only	
Marks	Remark



(d) Environmental Plastic plc does not trade abroad but believes that its products would sell successfully on the international market. Give details of **two** benefits and **two** drawbacks of international trade for Environmental Plastic plc.

Benefits _____

Drawbacks _____

[8]

Examiner Only	
Marks	Remark

[Turn over



3

Easy Connections is a retail shop selling computers and mobile phones. The shop is owned by Lisa Williams and is managed by Jake.

- (a) Jake is anxious to improve the shop's level of profit. Explain the meaning of "profit".

[2]

- (b) At the beginning of the year, Jake prepared a Cash Flow Forecast for Easy Connections. Explain **three** reasons why a business should prepare a Cash Flow Forecast.

1. _____

2. _____

3. _____

[6]

Examiner Only

Marks	Remark



Lisa's Capital Employed in Easy Connections is £200,000, and she received a total Net Profit of £15,000 for the year ending 31 December 2012.

- (e) Complete the spaces in the following formula to calculate Lisa's Return on Capital Employed, showing your calculations in the box provided:

$$\text{Return on Capital Employed} = \frac{\text{Net Profit}}{\text{Capital Employed}} \times 100$$

$$\text{Return on Capital Employed} = \quad \times 100$$

$$\text{Return on Capital Employed} = \quad \%$$

[2]

Show your calculations in this box:

- (f) Explain the meaning of "Return on Capital Employed".

[2]

Examiner Only

Marks	Remark

[Turn over



THIS IS THE END OF THE QUESTION PAPER

8154



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

Total Marks	
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Examiner Number

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