



Rewarding Learning

General Certificate of Secondary Education  
2014

Centre Number

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Candidate Number

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## Business Studies

### Unit 2

### Business Development



[GBS21]

\*GBS21\*

**MONDAY 2 JUNE, 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 paper.

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(e)** and **2(f)**.

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



Answer **all three** questions

Examiner Only	
Marks	Remark

1

Shades is a large, unisex hairdressing salon in Strabane.

**(a)** Shades needs to recruit an extra hairdresser. Each applicant for the post is required to complete an Application Form. Explain **one** advantage and **one** disadvantage for Shades of using application forms.

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

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

**(b)** Some of the applicants will also be invited for interview. Explain **two** benefits for Shades of conducting interviews.

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

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





(c) Both Shades and the applicants have certain responsibilities in the selection process. Discuss the following responsibilities.

Honesty \_\_\_\_\_

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Objectivity \_\_\_\_\_

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Fairness \_\_\_\_\_

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Confidentiality \_\_\_\_\_

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[8]

Examiner Only	
Marks	Remark







(e) Appraisal is undertaken each year in Shades. Explain **three** benefits which appraisal would have for Shades as an employer.

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

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

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

Examiner Only	
Marks	Remark

[Turn over





2

Ashton Ltd (Belfast) is a successful company which manufactures chocolate and confectionery.

(a) Ashton Ltd is described as successful. Explain **two** signs of success you would expect to find in this company.

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

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

Examiner Only	
Marks	Remark

[Turn over



(b) Discuss **three** factors which could limit the growth of Ashton Ltd.

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

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

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

Examiner Only	
Marks	Remark





(c) Ashton Ltd is considering a merger with another successful chocolate manufacturer. Describe a merger and analyse **two** disadvantages a merger would have for Ashton Ltd.

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[6]

(d) The Competition Commission is interested in the planned merger. Describe the role of the Competition Commission.

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[4]

Examiner Only	
Marks	Remark



(e) It is planned that the new company would sell its products to other countries as well as on the home market. Explain how international trade would affect the following aspects of its marketing mix.

Product \_\_\_\_\_

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Price \_\_\_\_\_

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Promotion \_\_\_\_\_

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Place \_\_\_\_\_

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[8]

Examiner Only	
Marks	Remark



(f) Discuss **three** ways in which e-commerce might support Ashton Ltd's international business.

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

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

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

Examiner Only	
Marks	Remark
Total Question 2	

[Turn over



3

The Bookworm is a retail shop selling books and magazines in Carrickfergus. The shop is owned and managed by Carolyn.

(a) Carolyn sometimes has difficulty in maintaining a good cash flow. Explain the meaning of “cash flow”.

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[2]

(b) Explain **two** reasons why cash flow is important in business.

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[4]

Examiner Only	
Marks	Remark



(c) Describe **one** way in which Carolyn might improve the cash flow in The Bookworm.

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[2]

(d) The table below lists four costs which are incurred in The Bookworm. In the column beside each cost, state whether it is a fixed cost or a variable cost.

COST	TYPE
Postage	
Rent	
Purchases	
Rates	

[4]

(e) Explain **one** reason why it is important for Carolyn to know the Breakeven Point in The Bookworm.

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[2]

Examiner Only	
Marks	Remark

[Turn over







(h) On average, Carolyn sells 550 books per month in The Bookworm. Using this information, calculate the Margin of Safety in The Bookworm and comment on how the business is performing.

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[4]

Examiner Only	
Marks	Remark
Total Question 3	

[Turn over



Extra page if required

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Marks Remark

Ruled writing area for the examiner's response.









CE Learning Rewinding

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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	

<b>Total Marks</b>	
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Examiner Number

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