

Please check the examination details below before entering your candidate information

Candidate surname

Other names

Centre Number

Candidate Number

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Pearson Edexcel Level 1/Level 2 GCSE (9–1)

Sample assessment materials for first teaching Xxxx 20XX

Morning/Afternoon (Time: 1 hour
45 minutes)

Paper
reference

1BS0/01

Business

PAPER 1: Investigating small business

You must have:

Source Booklet (enclosed)

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions.
- Answer the questions in the spaces provided – *there may be more space than you need.*
- You are advised to **show all your working out** with **your answer clearly identified** at the **end of your solution**.

Information

- The total mark for this paper is 90.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*
- Calculators may be used.

Advice

- Read each question carefully before you start to answer it.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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SECTION A

Answer ALL questions. Write your answers in the spaces provided.

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

1 (a) Which **one** of the following is a long-term source of finance? (1)

Select **one** answer.

- A Overdraft
- B Revenue
- C Trade credit
- D Venture capital

(b) Which **one** of the following could be used to identify customer needs? (1)

Select **one** answer.

- A Business idea
- B Business objectives
- C Market research
- D Marketing mix

(c) Explain **one** drawback to a business of having low levels of cash. (3)

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(d) Explain **one** way an entrepreneur can reduce the risk of failure when starting a new business.

(3)

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(Total for Question 1 = 8 marks)

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- 2 (a) Which **two** of the following can be interpreted from a break even diagram? (2)

Select **two** answers.

- A Insolvency
- B Margin of safety
- C Market share
- D Net cash flow
- E Profit

- (b) Which **two** of the following are types of technology that could be used by a business? (2)

Select **two** answers.

- A Consumer law
- B Crowd funding
- C Digital communication
- D Marketing mix
- E Payment systems

Table 1 shows the cash-flow forecast for a small business.

- (c) Complete the table with the **two** missing figures. (2)

	May (£)	June (£)
Cash inflows	12 600	13 400
Cash outflows	8 200	9 100
Net cash flow	4 400	(ii)
Opening balance	600	5 000
Closing balance	(i)	9 300

Table 1



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(d) Explain **one** reason why an entrepreneur may adapt an existing product to come up with a new business idea.

(3)

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(e) Explain **one** disadvantage to a small business of using a focus group to collect market research data.

(3)

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(Total for Question 2 = 12 marks)



3 (a) Which **one** of the following is a disadvantage of starting a partnership?

(1)

Select **one** answer.

- A** Business owners have different skills
- B** Can be easier to raise finance
- C** Business decisions affect all partners
- D** Financial information is kept private

Figure 1 shows the sales revenue of a business from January to April.

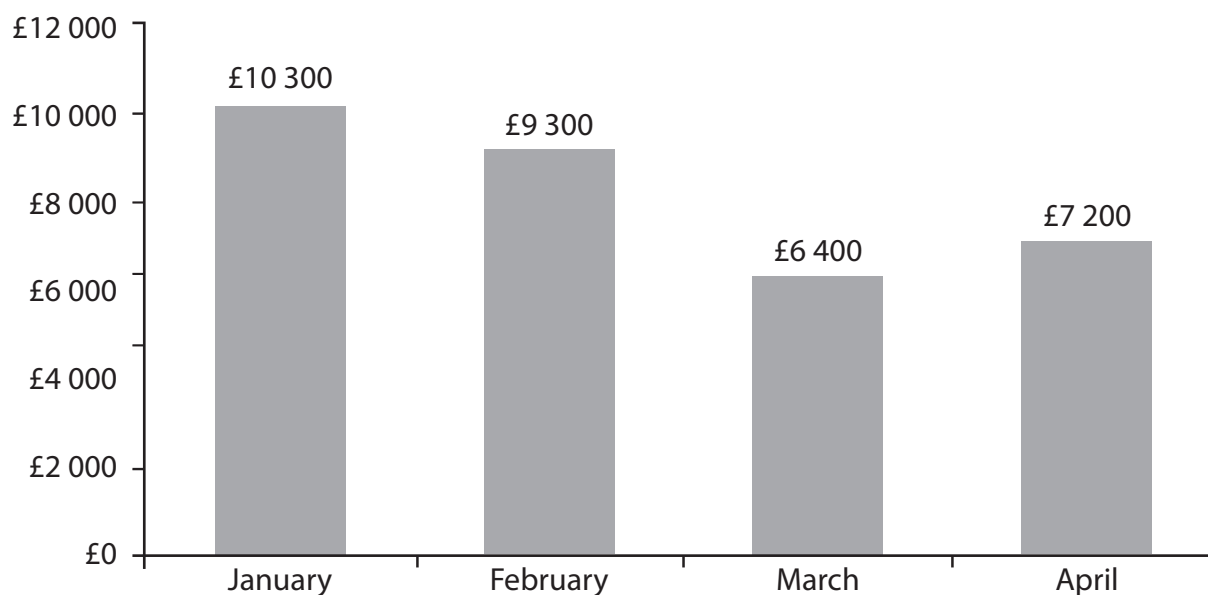


Figure 1

(b) Using the information in Figure 1, calculate, to 2 decimal places, the percentage decrease in sales revenue from January to March. You are advised to show your workings.

(2)

..... %



(c) Explain **one** disadvantage to a small business of an increase in interest rates.

(3)

(d) Explain **one** disadvantage to a small business of manufacturing a high quality product.

(3)

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(e) Discuss the impact on a small business from the introduction of new employment laws.

(6)

Area with horizontal dotted lines for writing the answer.

(Total for Question 3 = 15 marks)

TOTAL FOR SECTION A = 35 MARKS

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SECTION B

Answer ALL questions. Write your answers in the spaces provided.

In the Source Booklet, read Extract A before answering Questions 4, 5 and 6.

4 (a) Outline **one** way that *Sports Tours Ltd* meets customer needs.

(2)

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(b) Analyse the impact of the internet on the location of *Sports Tours Ltd's* premises.

(6)

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(Total for Question 4 = 8 marks)



Sports Tours Ltd has been organising football tours to Munich, Germany since 2010. The price of a hotel room in Munich in 2010 was €100.

- 5 Table 2 shows the value of the pound (£) in euros (€) in June 2010 and June 2019.

	Number of euro (€) per pound (£)
June 2010	1.23
June 2019	1.13

Table 2

- (a) Using the information in Table 2, calculate, to 2 decimal places, the price in pounds (£) of a hotel room in 2010. You are advised to show your workings.

(2)

£

In 2019 the cost of a hotel room had increased to €130.

- (b) Using the information in Table 2, calculate, to 2 decimal places, the price in pounds (£) of a hotel room in 2019. You are advised to show your workings.

(2)

£



(c) Analyse the impact on *Sports Tours Ltd* of using market mapping to target customers.

(6)

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(Total for Question 5 = 10 marks)



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6 (a) State **one** fixed cost that *Sports Tours Ltd* will need to pay.

(1)

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(b) Outline **one** likely impact of changing levels of consumer income on *Sports Tours Ltd*.

(2)

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In order to add value to its business activities *Sports Tours Ltd* is considering two options:

Option 1: using professional sports venues for tournaments

Option 2: providing teams with top class coaching when on tour.

(c) Justify which **one** of these two options *Sports Tours Ltd* should choose.

(9)

Area with horizontal dotted lines for writing the justification.



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(Total for Question 6 = 12 marks)

TOTAL FOR SECTION B = 30 MARKS



SECTION C

Answer ALL questions. Write your answers in the spaces provided.

In the Source Booklet, read Extract B and then answer Question 7.

7 (a) State **one** example of a cash outflow for *That Feeling*.

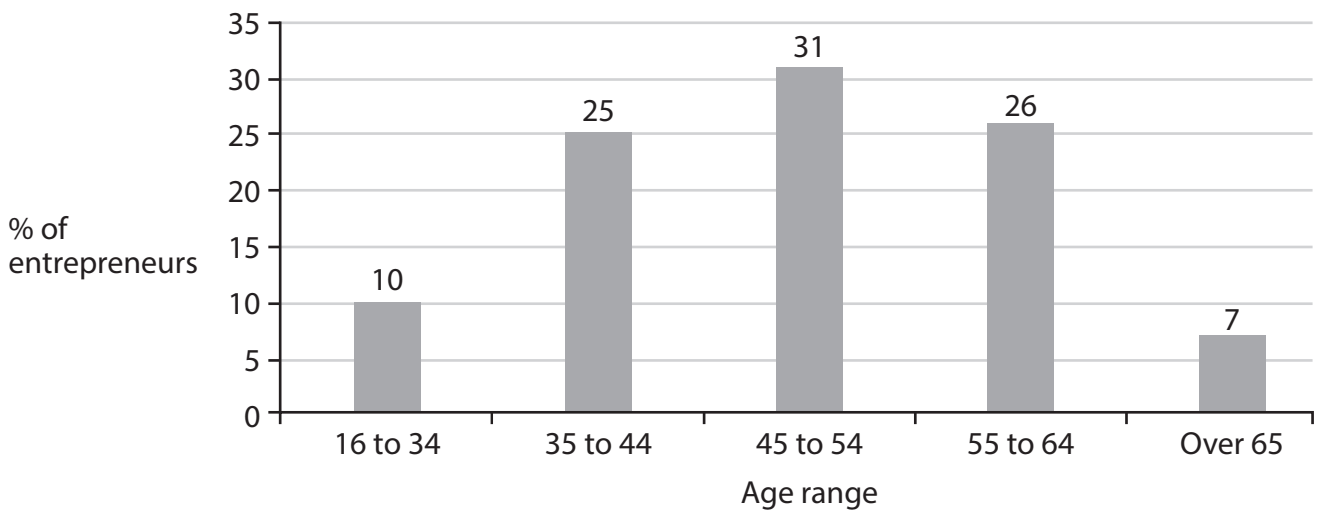
(1)

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Figure 2 shows the age of entrepreneurs starting businesses in the UK since 2000.



(Source: adapted from <https://startups.co.uk/the-average-entrepreneur/>)

Figure 2

(b) Using the information in Figure 2, identify what percentage of entrepreneurs were in the same age range as Justin when he started *That Feeling*.

(1)

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(c) Outline **one** benefit to employees at *That Feeling* from being mentored by Justin.

(2)

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In order to improve its brand awareness, *That Feeling* is considering two options:

Option 1: increase its range of own brand clothing

Option 2: open a second shop.

(d) Justify which **one** of these two options *That Feeling* should choose.

(9)

Area with horizontal dotted lines for writing the justification.



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Five horizontal dotted lines for writing.



(e) Evaluate the importance of achieving non-financial objectives for the success of *That Feeling*. You should use the information provided as well as your knowledge of business.

(12)

A series of horizontal dotted lines for writing the answer.

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(Total for Question 7 = 25 marks)

TOTAL FOR SECTION C = 25 MARKS
TOTAL FOR PAPER = 90 MARKS



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