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Write your name here

Surname	Other names

Pearson Edexcel
International GCSE

Centre Number	Candidate Number

Business Studies

Wednesday 21 May 2014 – Morning
Time: 2 hours

Paper Reference
4BS0/01

You do not need any other materials.

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.
- There are two sections for this paper – Section A and Section B.
- Answer **all** questions.
- Answer the questions in the spaces provided – *there may be more space than you need.*
- A calculator may be used.

Information

- The total mark for this paper is 100.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*

Advice

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

Turn over ▶

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3/3/3/3/3/5

P 4 3 0 4 1 A 0 1 2 0

PEARSON

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FORMULAE FOR INTERNATIONAL GCSE BUSINESS STUDIES

Gross Profit Ratio

Gross profit = Sales revenue – Cost of goods sold

$$\text{Gross profit ratio} = \frac{\text{Gross profit}}{\text{Sales revenue}} \times 100$$

Net Profit Ratio

Net profit = Gross profit – Overheads

$$\text{Net profit ratio} = \frac{\text{Net profit before tax}}{\text{Sales revenue}} \times 100$$

Return On Capital Employed (ROCE)

$$\text{ROCE} = \frac{\text{Net profit before tax}}{\text{Net capital employed}} \times 100$$

Current Ratio

$$\text{Current ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

Acid Test Ratio

$$\text{Acid test ratio} = \frac{\text{Current assets} - \text{Stock}}{\text{Current liabilities}}$$

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(Source: © Gerrit Buntrock/Getty Images)

Ronald and Jazwinder have been saving money since they left school five years ago. They have always wanted to run their own business. For the past five years they have been working for different people in various coffee shops. They now think the time has come for them to work together as business partners, opening their own coffee shop.

In January 2013, Ronald and Jazwinder set up a partnership and opened a coffee shop, called *Rojaz*. It was hard work and the hours were long, but they enjoyed the freedom they had to run their business, in the way they wanted to.

Rojaz is open seven days a week, 8 am to 8 pm, and provides its customers with:

- a range of coffees and teas made to order
- freshly squeezed juices and cold drinks
- handmade sandwiches
- a selection of cakes made on the premises
- table service

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Answer ALL questions.

SECTION A

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) (i) In which sector of industry are businesses found that sell food and drinks?

(1)

☒ **A** Primary sector

☒ **B** Secondary sector

☒ **C** Tertiary sector

☒ **D** Financial sector

(ii) Ronald and Jazwinder used leaflets to announce the opening of their coffee shop. This is known as a method of:

(1)

☒ **A** advertising

☒ **B** selling

☒ **C** research

☒ **D** production

(iii) If *Rojaz* employs a new member of staff, part of their induction training would include:

(1)

☒ **A** total quality management

☒ **B** health and safety

☒ **C** off-the-job training

☒ **D** government schemes

(iv) The rent *Rojaz* pays to the owner of the shop is known as:

(1)

☒ **A** fixed cost

☒ **B** current liability

☒ **C** fixed asset

☒ **D** variable cost

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(v) Gathering data on the needs and wants of *Rojaz*'s customers is:

(1)

- ☒ **A** public relations
- ☒ **B** informative advertising
- ☒ **C** market research
- ☒ **D** Boston Matrix

Jazwinder studied motivation at school and in particular Maslow's Hierarchy of Needs.

(b) Using **only** this information, complete the diagram below using the letters A–E.

(5)

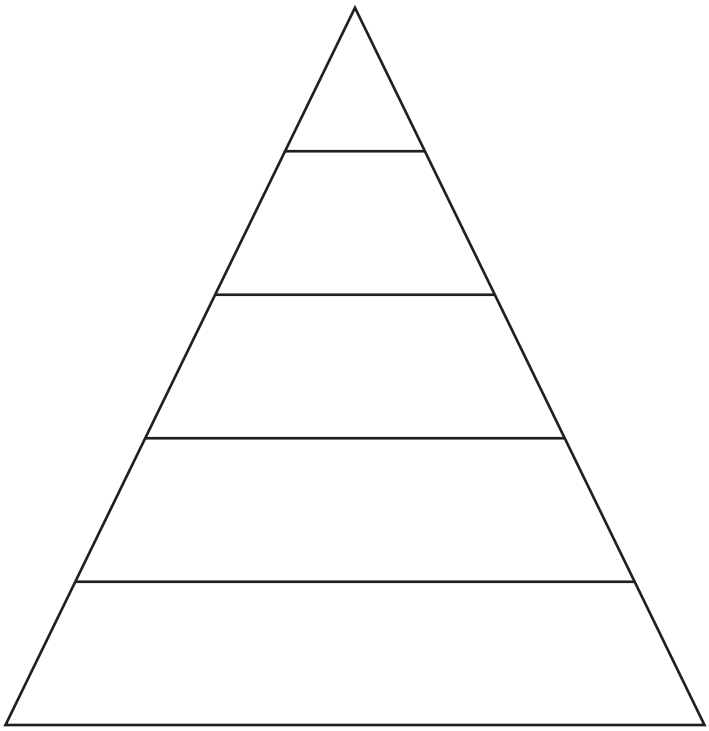
A Safety needs

B Psychological/Basic needs

C Self-actualisation needs

D Social needs

E Esteem needs



Maslow's Hierarchy of Needs

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(c) Identify **two** advantages of being in a partnership.

(2)

1 .....

2 .....

(d) Examine **two** disadvantages of being in a partnership.

(4)

1 .....

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2 .....

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Ronald and Jazwinder realise that providing consumer satisfaction is very important to the success of *Rojaz*.

(e) Why is consumer satisfaction important for *Rojaz*?

(4)

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(Total for Question 1 = 20 marks)

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2 Below are the sales revenue and cost of sales figures for *Rojaz* and two of its local rival coffee shops, *Stargo* and *Cosno*.

	Stargo	*Cosno*	*Rojaz*
	£'000	£'000	£'000
Sales revenue	45	139	58
Cost of sales	23	73	30
Gross profit	22	66	**?**
Gross profit ratio (margin)	48.9%	47.5%	**?**

(a) (i) Calculate the gross profit for *Rojaz*.

(1)

(ii) Calculate the gross profit ratio for *Rojaz*.

(1)

(b) (i) Using an example, identify a limitation of using gross profit as a measure of success.

(2)

(ii) Analyse which of the rival coffee shops seems to be performing the best.

(4)

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Most businesses set objectives.

(c) (i) Why are objectives important to businesses?

(2)

One objective of *Rojaz* is to make a profit.

(ii) Analyse **two** ways in which *Rojaz* could meet this objective.

(4)

1

2

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Businesses can be labour-intensive.

(d) Consider why *Rojaz* is a labour-intensive business.

(6)

(Total for Question 2 = 20 marks)

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3 The coffee shop has grown in popularity and Ronald and Jazwinder now need someone to help them out during busy times. They have a choice; employing Josieanne, a friend, or someone they do not know.

(a) Analyse why it might be better to employ someone they do not know.

(4)

Ronald and Jazwinder rely on other businesses to help them, such as banks and suppliers of coffee, tea and ingredients for making cakes.

(b) (i) Describe **one** way that banks help *Rojaz*.

(2)

(ii) Describe **one** way that suppliers help *Rojaz*.

(2)

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Ronald and Jazwinder know that if their staff are motivated, then the business has a greater chance of success.

(c) Discuss how the **two** incentives below could motivate the staff of *Rojaz*.

(6)

Free uniform

Bonus

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There are many different methods that Ronald and Jazwinder could use to promote *Rojaz*. One is 'below the line promotion'.

To keep up with its competitors in and around the area they are looking at two possible methods:

Method A – offer free entry into a competition, to win a prize of 'two nights' stay' at a hotel.

Method B – provide loyalty cards to customers, who get a stamp for every purchase at *Rojaz*. When the card is fully stamped it can be exchanged for a free drink and cake.

Select **one** of these methods for promoting *Rojaz*.

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(d) Discuss **two** reasons why you have selected the method above.

(6)

1 .....

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2 .....

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(Total for Question 3 = 20 marks)

TOTAL FOR SECTION A = 60 MARKS

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SECTION B

4 Ronald has noticed the sale of sandwiches has increased. *Rojaz* has become very popular with working people who buy sandwiches to take away at lunchtime. He sees this as an opportunity to further promote *Rojaz*.

(a) (i) What is meant by the term branding?

(2)

(ii) How could *Rojaz* brand its sandwiches?

(4)

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Ronald and Jazwinder want to find out what their customers think about *Rojaz*.

(b) Analyse **two** primary market research methods that Ronald and Jazwinder could use to do this.

(6)

1 .....

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2 .....

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(c) Explain the benefits of using EFTPOS (Electronic Funds Transfer at Point Of Sale) for *Rojaz* and its customers.

(8)

(Total for Question 4 = 20 marks)

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5 Governments of many countries in the world are concerned about environmental issues, especially waste products. Coffee shops often add to the problem, through the waste they produce such as plastic cups and wrappers from sandwiches.

Two policies a government could introduce are:

- a tax on non-biodegradable products
- a reduction in waste collections.

Select **one** of these policies.

(a) Analyse the possible effects this policy could have on *Rojaz*.

(5)

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Ronald and Jazwinder have appointed a manager for the coffee shop. When he is on duty all responsibility is delegated to him.

(b) Discuss the strengths and weaknesses of delegating all responsibility to the manager.

(5)

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As *Rojaz* has become more popular, Ronald and Jazwinder have found an increasing problem communicating with each other.

They are considering these options:

Option 1 communicate all information through text messaging/email

Option 2 hold a weekly meeting.

(c) Select **one** of these options.

Justify why you have selected this option and rejected the other.

(10)

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(Total for Question 5 = 20 marks)

TOTAL FOR SECTION B = 40 MARKS
TOTAL FOR PAPER = 100 MARKS

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