

ADDITIONAL SPECIMEN ASSESSMENT MATERIAL

Please write clearly, in b	lock capitals.		
Centre number		Candidate number	
Surname			
Forename(s)			
Candidate signature			/

GCSE BUSINESS

Paper 1

Additional specimen

Morning Time allowed: 1 hour 45 minutes

Materials

For this paper you must have:

• a calculator.

Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer all questions.
- You must answer the questions in the spaces provided. Do not write outside the box, around each page or on blank pages.
- Do all rough work in this answer book. Cross through any work you do not want to be marked.

Advice

- The marks for each question are shown in brackets.
- The maximum mark for this paper is 90.

Section A

Answer **all** questions in the spaces provided.

r	e-choice questions, completely fill in the circle alongside the app wrong METHODS S C S	propriate a	inswer(s).
CORRECT METHOD	● WRONG METHODS 🛇 ⓒ 🚖 𝒴		
If you want to c	hange your answer you must cross out your original answer as	shown.	\mathbf{X}
	eturn to an answer previously crossed out, ring the answer you	now wish	to select as
shown.	Q		
0 1 . 1 V	Which of the following is a stage in the recruitment of an employed	ee?	[1 mark]
А	Apprenticeship	\bigcirc	[1 mark]
В	Job rotation	\bigcirc	
C	Shortlist	\bigcirc	
_	_		
D	Training	\circ	
0 1 . 2 V	Vhich of the following best describes a span of control?		
			[1 mark]
Α	The number of employees a manager looks after directly	\bigcirc	
В	The number of employees without a manager	\bigcirc	
С	The number of levels of authority in a management structure		
C		\bigcirc	
D	The total number of managers in a business	\bigcirc	

01.3	Which of the following is most likely to be an objective of share	holders?	[1 mark]
Α	Having a decrease in share price	\bigcirc	
В	Having an increase in the cash outflows of the business	0	
С	Increasing the dividends	0	
D	Increasing the risks facing the business	0	
01.4	Which of the following is an important activity of a procurement	departmei	nt? [1 mark]
А	Developing an advertising campaign	\bigcirc	[]
В	Finding new suppliers	0	
С	Researching new products	0	
D	Sending out finished goods	0	
	Which of the following means employees are only employed at business needs them?	times whe	
А	Full-time working	0	[1 mark]
В	Job sharing	0	
C	Low-skilled work	0	
D	Zero-hour contracts	\bigcirc	

	Which of the following is likely to be an effect on busin unemployment in the economy?	esses if there is high
		[1 mark]
Δ	Demand for products rise	\bigcirc
E	B Profits go down	\bigcirc
C	There are fewer people available to work	\bigcirc
C	Wages go up	0
01.7	State two factors that could affect where a business of	chooses to locate. [2 marks]
01.8	A business uses commission to motivate its sales tea £40 000 per month is reached, the sales person will r	
	If one member of the team sells £45 000 of goods, ho receive?	ow much commission will she
		[2 marks]
-		
-		
-		
-		
-		
-	Answer	£

0 1 . 9 State two reasons a business might create a business plan. [2 marks] 0 1 . 10 Identify two benefits of training employees. [2 marks] 0 1 . 11 Explain one way in which the pound strengthening against the US dollar might affect a UK business. [2 marks]

01. 12 A business that has customers throughout the UK currently makes all major decisions from its head office.

Explain **two** possible benefits to the business of decentralising its operations. [4 marks]

Benefit 1			



Section B

Answer **all** questions in the spaces provided.

02	Item A – Greengrass Mowers
	Greengrass Mowers plc employs 480 employees many of whom are foreign nationals from the European Union (EU). These foreign nationals are willing to work in the UK for the minimum wage.
	In the past the business used groups of three employees working together to make 20 lawnmowers at a time. Two years ago, the business changed to flow production with individual employees working on one small part of the manufacturing process. In order to keep costs low, many of the employees are now employed on zero-hour contracts.
	Greengrass used to source the parts required to make its lawnmowers from other UK businesses. It increasingly buys these parts from Chinese manufacturers, which are much cheaper. The quality of these parts is not always as good, however, and it can take several weeks between ordering the parts and receiving them.
02.1	Explain one benefit to a business of being a public limited company (plc) rather than a private limited company (ltd). [2 marks]

02. 2 Greengrass Mowers employs 480 people. When they worked in groups of three each group had to produce 20 lawnmowers in a shift.

Calculate the total number of lawnmowers made in a shift. Show your workings.

[3 marks]

Answer _____

Turn over for next question

0 2 . 3 The lawnmower industry is becoming increasingly globalised.

Analyse the benefit to Greengrass Mowers of operating in more globalised markets. [6 marks]

Question 2 continues on page 12



Item B – Greengrass Mowers

Greengrass Mowers prides itself on the quality of its products and its high standard of customer service. The company aims to ensure that very few lawnmowers are returned as faulty after they are sold. The lawnmowers are designed to give customers at least 20 years of use. Other lawnmower manufacturers work on having a maximum 10 year working life.

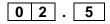
The high quality of the product makes it more expensive to manufacture. To help reduce costs, Greengrass Mowers managers are thinking of introducing Just In Time (JIT) stock control. The business receives parts for the lawnmowers from about 40 suppliers, including some in China.

Interest rates in the UK have been at a low level for many years. Greengrass Mowers' managers believe that it is likely interest rates will start to rise before long. The managers realise that if interest rates do go up this will affect the business. Higher interest rates will make it more expensive for Greengrass Mowers to pay for its overdraft and any loans it takes out to invest in the company.

02.4

Explain **one** disadvantage to a business of using flow production.

[2 marks]



Using **Item B**, analyse why introducing Just in Time (JIT) may cause difficulties for Greengrass Mowers.

[6 marks]

02.6 Using $\ensuremath{\textit{Item B}}$ analyse how an increase in interest rates might affect Greengrass Mowers' profits. [6 marks]

02.7

Greengrass Mowers is known for its high quality. The company wishes to reduce its costs to make it more competitive with foreign lawnmower manufacturers. It has been suggested that Greengrass Mowers could reduce costs by not having such a high quality product.

Recommend whether Greengrass Mowers should continue to produce high quality lawnmowers. Give reasons for your recommendation.

[9 marks]



Section C

Answer **all** questions in the spaces provided.

0 3	Item C – Jooma Ltd
	Jooma is a Japanese inspired restaurant that targets people aged in their 20s and 30s. Prices are higher than other restaurant chains, but appeal to those with high disposable incomes. A visit to Jooma is a fun experience. People who go to these restaurants are called "guests" rather than customers and tend to be adventurous in the type of food they eat.
	There are more than 200 Jooma restaurants in the UK and others in more than 18 countries throughout the world. The company has used franchising for 15 years.
	Employees (crew members) are encouraged to "be you be Jooma". There are no strict rules on appearance: tattoos do not have to be covered up and piercings and extreme hairstyles are allowed. Crew members are offered fringe benefits. They are given free food during their shifts and they receive discounts off food they eat when not working. The company provides free modern stylish uniforms. If a new manager is needed, Jooma recruits internally for a replacement.
	Jooma makes full use of technology in the running its restaurants. Handheld PDAs (personal digital assistants) send food orders straight to the kitchens and mobile and contactless payments are encouraged. There is online ordering of takeaway and delivery food. Free wi-fi and USB charging points are available for customers.
03.1	Explain why a business might give fringe benefits to its employees. [2 marks]

03.2	Explain one reason why Jooma recruits its managers internally rather that externally.	n
		[4 marks]
03.3	Explain one benefit to Jooma of using up-to-date technology in its restaur	ants. [4 marks]

Item D – Jooma Ltd

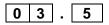
Year	2017/8	2016/7	Percentage change from 2016/17 to 2017/18
Revenue	£257.8 million	£223.7 million	15.24%
Profit	£35.7 million	£28.5 million	

0 3 . **4** Calculate the percentage change in Jooma's profits between 2016/17 and 2017/18.

Show your workings and give the answer to **two** decimal places.

[3 marks]

Answer %



The percentage change in Jooma's profits is different from the percentage change in revenue between 2016/17 and 2017/18. Explain why this might be.

[2 marks]

Turn over for next question

Item E – Jooma Ltd

Jooma delegates decisions to its crew members so they can help improve the business. For example, crew members organise shifts amongst themselves. This means they can work at times that suit each of them. Crew members also decide who does what on any shift themselves such as cleaning tables and floors without needing a supervisor. Crew members can suggest changes to the menu and come up with better ways of running the restaurant. This is part of the company's focus on improving efficiency. Jooma uses a JIT approach with suppliers and tries to be as lean as it can in its all aspects of its operations including how it makes the food and how it serves customers.

Jooma uses social media, such as Instagram and Facebook, to develop the business. It encourages its customers to link with Jooma's social media accounts. This allows the business to keep customers informed of changes to the menu and special offers. By reading customers' social media posts, the company gets feedback on what people think about the restaurant and how they compare Jooma with other food outlets. If, for example, customers are unhappy about their experience they receive at a Jooma restaurant, the managers can respond with apologies and give offers for customers; they can also change the way they operate. Social media is helpful as many customers are reluctant to complain when they are at a restaurant and poor customer service can go unnoticed.

0 3 . 6 Jooma uses social media to help it improve its service to its customers.

Recommend whether this is a good way for Jooma to improve its customer service. [9 marks]



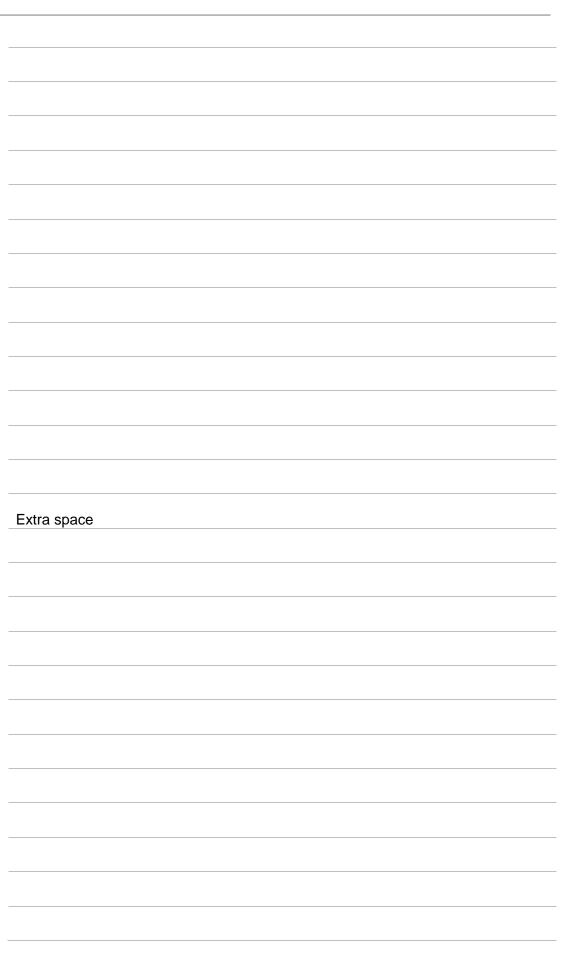
0 3 . 7 Jooma uses two approaches to increase efficiency:

- it delegates to employees so they can make decisions about how to run the restaurants.
- it uses lean production.

Analyse the effect of **each** of these approaches on efficiency.

Evaluate which of these two approaches will have the biggest impact on the company's efficiency.

[12 marks]



END OF QUESTIONS

Acknowledgement of copyright holders and publishers

Permission to reproduce all copyright material has been applied for. In some cases, efforts to contact copyright holders have been unsuccessful and AQA will be happy to rectify any omissions of acknowledgements in future papers if notified.

Copyright © 2018 AQA and its licensors. All rights reserved.