



Rewarding Learning

ADVANCED SUBSIDIARY (AS)  
General Certificate of Education  
2023

Centre Number

--	--	--	--	--

Candidate Number

--	--	--	--	--

# Business Studies

Assessment Unit AS 2

*assessing*

Growing the Business



[SBU21]

\*SBU21\*

**FRIDAY 26 MAY, AFTERNOON**

## TIME

1 hour 30 minutes.

## INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number in the spaces provided at the top of this page.

**You must answer the questions in the spaces provided.**

**Do not write outside the boxed area on each page or on blank pages.**

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

## INFORMATION FOR CANDIDATES

The total mark for this paper is 80.

Quality of written communication will be assessed in Question 1 parts (c) and (d) and Question 2 parts (c) and (d).

Quantitative skills will be assessed in Question 2 parts (a), (b) and (d).

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

Any workings should be clearly shown since marks may be awarded for partially correct solutions. This paper is accompanied by a Case Study Booklet.

## ADVICE TO CANDIDATES

You are advised to take account of the marks for each part question in allocating the available examination time.

13584



\*20SBU2101\*









---

---

---

---

---

---

---

---

---

---

[10]

[Turn over

13584



\*20SBU2105\*





Blank writing area with horizontal lines.

13584

[Turn over



\*20SBU2107\*



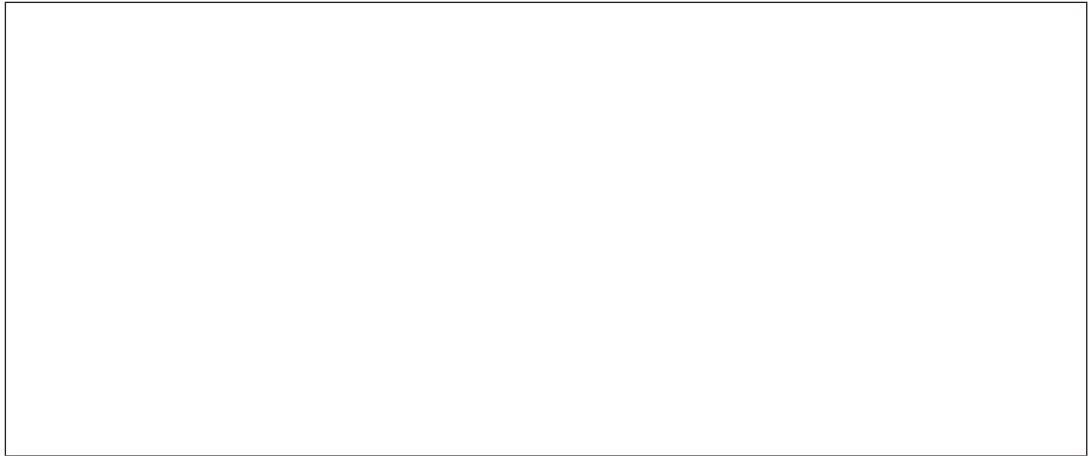


Read Case Study 2 (Vibe Furnishings) and answer the questions that follow.

2 (a) Calculate the following figures as at 31 March 2024, using the information in Table 1:

(i) Vibe's net cash flow for the month of March 2024.

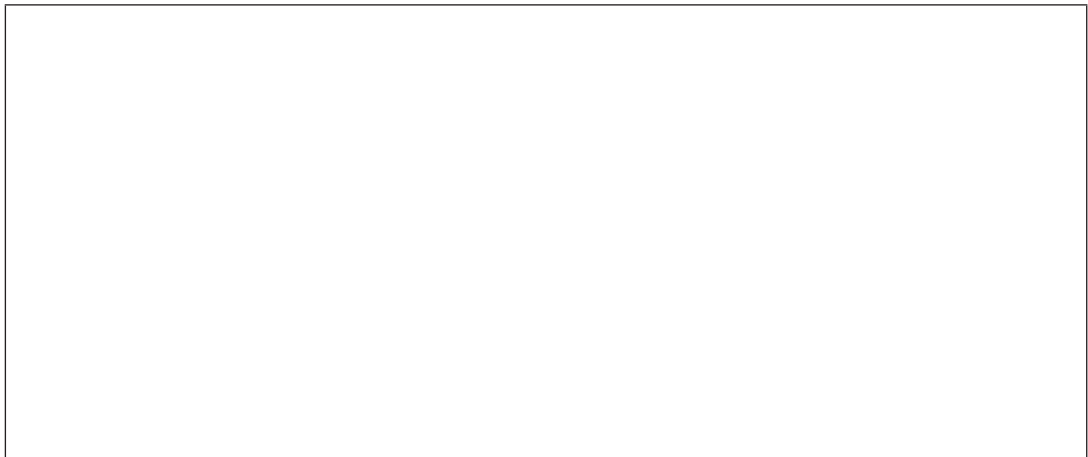
Show your calculations below.



[2]

(ii) Vibe's projected closing balance as at 31 March 2024.

Show your calculations below.



[2]

[Turn over







**BLANK PAGE**

**DO NOT WRITE ON THIS PAGE**

**(Questions continue overleaf)**

**[Turn over**







---

---

---

---

---

---

---

---

---

---

[10]

[Turn over

13584



\*20SBU2113\*











---

**THIS IS THE END OF THE QUESTION PAPER**

---

**BLANK PAGE**

**DO NOT WRITE ON THIS PAGE**

13584



\*20SBU2117\*

**BLANK PAGE**  
**DO NOT WRITE ON THIS PAGE**

13584



\*20SBU2118\*





**BLANK PAGE**  
**DO NOT WRITE ON THIS PAGE**

13584



\*20SBU2119\*

**DO NOT WRITE ON THIS PAGE**

For Examiner's use only	
Question Number	Marks
1(a)	
1(b)	
1(c)	
1(d)	
2(a)	
2(b)	
2(c)	
2(d)	

<b>Total Marks</b>	
--------------------	--

Examiner Number

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

13584/6



\*20SBU2120\*



*Rewarding Learning*

**ADVANCED SUBSIDIARY (AS)  
General Certificate of Education  
2023**

---

# **Business Studies**

Assessment Unit AS 2  
*assessing*  
Growing the Business

**[SBU21]  
FRIDAY 26 MAY, AFTERNOON**

---

## **CASE STUDY BOOKLET**

## CASE STUDY 1

Read the following information and answer **Questions 1(a) to (d)** in the answer booklet.

### OilNI Ltd

Imports of fuel of oil-based products, both heating and transport, enter Northern Ireland (NI) at terminals in Belfast and Derry/Londonderry. From these terminals the oil-based products are distributed throughout NI by the five largest fuel distributors in NI. The largest fuel distributors include the following NI companies: Donnelly Fuels, EMO Oil, Maxol Direct, Nicholl Fuel Oils and Shell Direct.

These five fuel distributors supply transport fuel, diesel and petrol products to 565 petrol stations across NI. The market structure of oil-based products is deemed to be an oligopoly because the fuel distributors dominate the fuel market and compete on product branding as opposed to price.

The 565 petrol stations are supplied by the five fuel distributors and operate in a competitive market, selling similar but differentiated products directly to the general public. The degree of competition is determined by:

- Customers having full knowledge: fuel prices vary by up to 10p per litre between petrol stations across NI.
- Differentiated products: through branding, company logos and unique colour schemes on petrol station buildings. Some petrol stations have a shop and a car wash, whilst others do not.
- Barriers to entry: the petrol station market has few barriers to entry, meaning freedom of entry to the market for new petrol stations.

Tom Shiels and his son Alfie are two directors of OilNI Ltd and plan to operate a petrol station located in Belfast, which will require an investment of £1 million. Alfie has undertaken some secondary market research into the possibility of operating a petrol station.

Alfie has obtained data from a range of online sources, particularly:

- Oil companies: there are various oil company websites that offer information about operating a petrol station, the capital investment required and earnings potential from such an investment.
- Trade journals: trade associations such as Petrol Retailers Association, who can provide data about the management of a petrol station, possible locations, shop management, fuel pump system operation and other technical matters.
- Journals/newspapers: these offer readily available and up-to-date data, especially in relation to an area where it is proposed to locate a new petrol station.
- Government reports: the Office for National Statistics (ONS) regularly produces data on population statistics per local council area, which can be used to ascertain the potential number of customers who might visit the petrol station. This data allows Alfie to estimate potential sales revenues of the proposed petrol station. According to statistical records, the estimated population in the Belfast area was 631 000.

Tom and Alfie note that there is the potential for a higher degree of inaccuracy in accumulating secondary research data.

In order to market the business, Tom and Alfie need to consider their marketing strategy, particularly in relation to the product and promotion elements of the marketing mix:

- **Product:** in order to increase profits, the petrol station needs to be able to offer a range of products in order to meet consumer needs, which include the provision of fuel, vehicle wash facilities and a shop which can supply a range of grocery items (e.g. sandwiches, coffee, mineral drinks), motoring products (e.g. oil, car fresheners, windscreen wash) and other necessities.
- **Promotion:** in order to increase market share, the petrol station must be able to attract consumers onto the premises, encouraging them to buy fuel and visit the shop. This can be achieved through the use of special offers (e.g. a free car wash), price discounts (e.g. 10% off recommended price of grocery items), buy-one-get-one-free (BOGOF) promotions and advertising (e.g. using an app, television or radio channels).

---

**TURN OVER FOR CASE STUDY 2**

---

**Sources:**

'Major Fuel Suppliers in Northern Ireland', NI Assembly 06/05/2010  
'Petrol filling stations', NI Assembly, 05/05/2017  
'Fuel Price Archive' Consumer Council  
'Belfast, United Kingdom Population', PopulationStat

## CASE STUDY 2

Read the following information and answer **Questions 2(a) to (d)** in the answer booklet.

### Vibe Furnishings (Vibe)

Vibe Furnishings (Vibe) is a furniture retail business located in Dungannon. It is a one-stop shop for home furnishings and giftware, currently managed by Matt Monroe who has a keen eye for consumer trends and fashion. Vibe has been operating for 50 years and has a longstanding reputation for high-quality products.

Matt is aware that Vibe is a highly successful and profitable business, but anticipates that it will experience some short-term cash-flow difficulties in March 2024 as indicated in the projected cash flow. Matt predicts that Vibe’s trade receivables as at 31 March 2024 will be £120,000.

**Table 1: Vibe’s projected cash flow for the three months ended 31 March 2024**

	January 2024	February 2024	March 2024
<b>INCOME</b>			
Cash sales revenue	200,000	75,000	100,000
Credit sales revenue	400,000	125,000	120,000
<b>Total income</b>	<b>600,000</b>	<b>200,000</b>	<b>220,000</b>
<b>EXPENDITURE</b>			
Furniture purchases	400,000	180,000	180,000
Wages and salaries	60,000	60,000	60,000
Purchase of new van	–	25,000	–
Administrative expenses	67,950	64,400	64,400
<b>Total expenditure</b>	<b>527,950</b>	<b>329,400</b>	<b>304,400</b>
Net cash flow	72,050	(129,400)	?
Opening balance	100,000	172,050	42,650
Closing balance	172,050	42,650	?

Matt notes that Vibe is projected to have a cash deficit at the start of April 2024 and that Vibe has no overdraft arrangement in place with the bank. With this in mind, Matt must consider alternative finance options to reduce the cash deficit at March 2024 such as leasing, hire purchase, postponing the purchase of the van indefinitely and reducing the trade receivables in order to improve the April 2024 cash flow.



Matt expects Vibe's total sales revenues to increase from customers' use of e-business and predicts that 50% of its future monthly sales revenues will arise from online transactions. The total UK furniture market will be worth £13.8 billion by 2024 and Vibe's objective is acquiring a small portion of that large market, thus increasing its market share and profits. The increase in market share and profits will be facilitated by focusing more on its online presence.

Vibe has its own website incorporating an online catalogue featuring all of its furniture products, an ordering/payment facility and access to social media platforms, including Instagram, Facebook and Twitter. Vibe currently has over 20 000 followers on social media. The website and social media accounts are managed by a specialist digital marketing company which charges £1,000 per month for its services.

The usefulness to Vibe of using e-business is that it can showcase its products and prices. The Vibe website also provides Vibe's customers with opportunities to access, enquire and read reviews about Vibe's products, order goods online 24/7 and pay for those goods from their own home. The benefits to Vibe include lower transaction costs through the design and efficient operation of the website. This in turn should enable Matt to increase profits.

Matt also wishes to increase the shop's market share by encouraging repeat custom, by giving the customers their own personal shopping experience which Matt and his staff are renowned for. Matt offers customers the option of a personalised design service when acquiring their top-quality furnishings. In addition, a small on-site cafeteria is available for customers to use – such is the excellent reputation of this facility that it attracts customers into the shop.

In order to facilitate the offer of free delivery on customer orders, Matt plans to purchase a delivery van in February 2024, costing £25,000. He is conscious that a well-presented delivery van, together with the proposed free delivery services on certain orders, will represent an important promotional opportunity for the business to increase its market share in the local area and beyond.

---

**END**

---

---

**THIS IS THE END OF THE CASE STUDY BOOKLET**

---



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