

	Centre Number						
Candidate Number							
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General Certificate of Secondary Education

Business Studies

Unit 2

Developing a Business



[GBU21]

GBU21

Assessment

Assessment Level of Control:

Tick the relevant box (✓)

Controlled Conditions	
Other	

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.

Answer **all three** questions.

INFORMATION FOR CANDIDATES

The total mark for this paper is 90.

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

Quality of written communication will be assessed in Questions 1(e) and 2(e).





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Answer all questions Peter owns and runs a bakery known as The Quality Bakery. He sells his products in his own shop and also delivers to other shops in the area. He employs ten staff. (a) Each employee in The Quality Bakery has a Contract of Employment. Explain two purposes of a Contract of Employment.

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(b	Peter needs to employ a manager for The Quality Bakery and has decided to use the external method of recruitment. Discuss two advantages and one disadvantage of external recruitment for The Quality Bakery when recruiting a manager.
	Advantage
	Advantage
	Disadvantage
	[6]
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	blicants for the post of manager will be invited to an interview.
c) (i)	Describe an interview as a method of selection.
	[2]
(ii)	Discuss one advantage and one disadvantage of this method of selection for The Quality Bakery.
	Advantage
	Disadvantage
	[4]



(0	Analyse three advantages of staff appraisal for the employer in The Quality Bakery.
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The Quality Bakery is operating very successfully and Peter has decided to grow his business.

(a) Identify **four** signs of success which you would expect to find in The Quality Bakery.

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Analyse three disadvantages of growth for The Quality Bakery.	
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most suitable for The Quality Bakery.
Reinvestment
Expansion of product range
Expansion of product range
Increased sales activity
Conclusion
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(-)	Finals in the community of a Cook Flow Forest for The Cook Polymer	
(a)	Explain two purposes of a Cash Flow Forecast for The Quality Bakery.	
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	(a)	2



Peter's accountant produced the following
Cash Flow Forecast for the three months from July to September 2020
for The Quality Bakery. Some amounts are missing.

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CASH FLOW FORECAST FOR THE QUALITY BAKERY FROM JULY TO SEPTEMBER 2020

	JULY	AUGUST	SEPTEMBER
RECEIPTS	£	£	£
Opening Balance	46000	53006	
Sales		32956	30376
Total Receipts	74670		74938
PAYMENTS			
Rates	600	600	600
Advertising	750	1400	0
Insurance	200	200	200
Purchases		19550	9375
Telephone	630	0	0
Cleaning	250	250	250
Wages	3000	3000	3000
New Machinery	0	16400	0
Total Payments	21664	41400	
Closing Balance	53006		61513



(b)	Complete the Cash Flow Forecast showing the figures for the following:	
(D)	Complete the Cash Flow Forecast showing the figures for the following:	
	Sales for July	-
	Purchases for July	-
	Total Receipts for August	_
	Closing Balance for August	_
	Opening Balance for September	_
	Total Payments for September	-
(c)	Compare the forecasted opening balance in July with the forecasted closing balance in September and comment on the expected performance of The Quality Bakery during the three months.	
		-



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The following information is taken from the accounts of The Quality Bakery: Total fixed costs are £6000 per month Variable costs are £2 per cake Each cake sells at £5

(e) Calculate the Break-even Point per month for cakes in The Quality Bakery.

Break-even	=	Total fixed costs Selling price per cake – Variable cost per cake
Break-even	=	
Break-even	=	

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(g)	On	average The Quality Bakery sells 3000 cakes per month.	
	(i)	Using this information and the information on the Break-even Point, calculate the Margin of Safety in The Quality Bakery.	
			[2]
	(ii)	Explain the meaning of Margin of Safety and its significance for The Quality Bakery.	
			[4]
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	_	THIS IS THE END OF THE QUESTION PAPER	

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