

	Centre Number					
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General Certificate of Secondary Education 2024

Business Studies

Unit 2

Developing a Business



[GBU21]

GBU21

WEDNESDAY 5 JUNE, 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.

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 2(f) and 2(g).





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1	(a)	Complete all the blanks:	
		Recruitment is the process of hiring v	workers for a specific job. A series of
		documents are drawn up to help with	the process.
		A (i)	_ defines the main duties and
		responsibilities of the job, whereas a	(ii)
		identifies the ideal candidate for the j	ob in terms of qualities, skills
		and experience.	
		Recruitment may be done by advertise	sing the post within the business and this is
		known as internal recruitment, and m	nethods include
		(iii)	and (iv)
		Advertising the post outside the busing	ness is known as
		(v)	recruitment and methods include
		(vi)	and (vii)
			[7]

[Turn over

14145



IvyLeague plc is a large, national chain of garden centres that are located throughout the UK and Ireland. It wants to recruit some new Heads of Section and is considering using internal recruitment to fill the posts.
(b) Discuss one advantage and one disadvantage of IvyLeague plc using internal recruitment.
Advantage
[2]
Disadvantage
[2]

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(c)	(i)	List two legal controls in recruitment that IvyLeague plc will need to consider.	
		1	_[1]
		2	_ [1]
	(ii)	Explain two roles of the Equality Commission in relation to recruitment.	
			_ [4]

[Turn over

14145



(a)	(i)	Within how many weeks of starting work should a Contract of Employme be issued?
	(ii)	List one detail that should appear on the Contract of Employment.
	(iii)	Explain the purpose of a Contract of Employment.
(e)	Exp	lain one reason why lvyLeague plc would need to carry out staff training.

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	ere are different types of training for employees. IvyLeague plc uses training than be given at the employee's place of work during normal working hours.	t
(f)	Identify and evaluate this type of training.	
	Type of training	[1]
	Evaluation	
		[5]

[Turn over

14145



(a)	Apart from increased profits, list one other sign of success for IvyLeague plc.
(b)	Identify and describe this type of growth.
(c)	Identify and describe one other type of growth lawl eague plc could have used
(c)	
(c)	Identify and describe one other type of growth IvyLeague plc could have used
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` ,	Discuss two factors that could have limited the growth of lvyLeague plc.	
	Factor 1	
		_ [2
	Factor 2	
(0)		_ L*
(e)	IvyLeague plc is considering merging with another chain of garden centres.	
	Evaluate a merger as a method of growth.	
		_ [5



(f)	Explain two roles of the Competition and Markets Authority in relation to growth
	[6

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			_
	(g)	Analyse two disadvantages of growth for IvyLeague plc.	
		[8]	
		[Turn o	ver
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	Explain one advantage and one disadvantage to lvyLeague plc of using this as a source of finance.
	Advantage
	[
	Disadvantage
(b	Analyse the importance of cash flow to lvyLeague plc.
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(c)	Explain two purposes of IvyLeague plc drawing up a cash flow forecast.	
		[4]
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(d) Examine the cash flow forecast below and complete the missing figures.

Cash flow forecast for one of lvyLeague plc's garden centres (6-month period)

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	January £	February £	March £	April £	May £	June £
Opening balance	21495	15310		17750	-6400	3055
Receipts						
Cash sales	22 500	21430	32100	37890	47800	59870
Credit sales	5600	4500	16500	21860	25450	36210
Total Receipts		41240	56 545	77500	66850	99135
Payments						
Wages/salaries	21300	21300	21300	21300		29800
Purchases	8890	7900	13400	15005	18700	19230
Rent and rates	2150	2150	2150	2150	2150	2150
Electricity	570	570	570	570	570	570
Phone	380	380	380	380	380	380
Equipment				43500	15000	
Insurance	995	995	995	995	995	995
Total payments	34 285	33295	38795	83900	63795	53 125
Closing balance	15310	7945	17750	-6400	3055	

Total receipts for January	 [1]
Opening balance for March	 [1]
Wages/salaries for May	 [1]
Closing balance for June	 [1]



	Comment on what the cash flow forecast tells you about the expected performance of the business.	
(f)	Using examples, explain the difference between fixed and variable costs.	



(g)	Examine the following information and use it to calculate the break-even poin
	for a new BBQ the business is currently selling.

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Fixed costs	£25000
Selling price	£149
Variable costs (per unit)	£99

Use the formula:	Show your calculations:
Fixed costs Selling price – Variable costs	
	[3]

(h) It currently sells 567 BBQs per month.

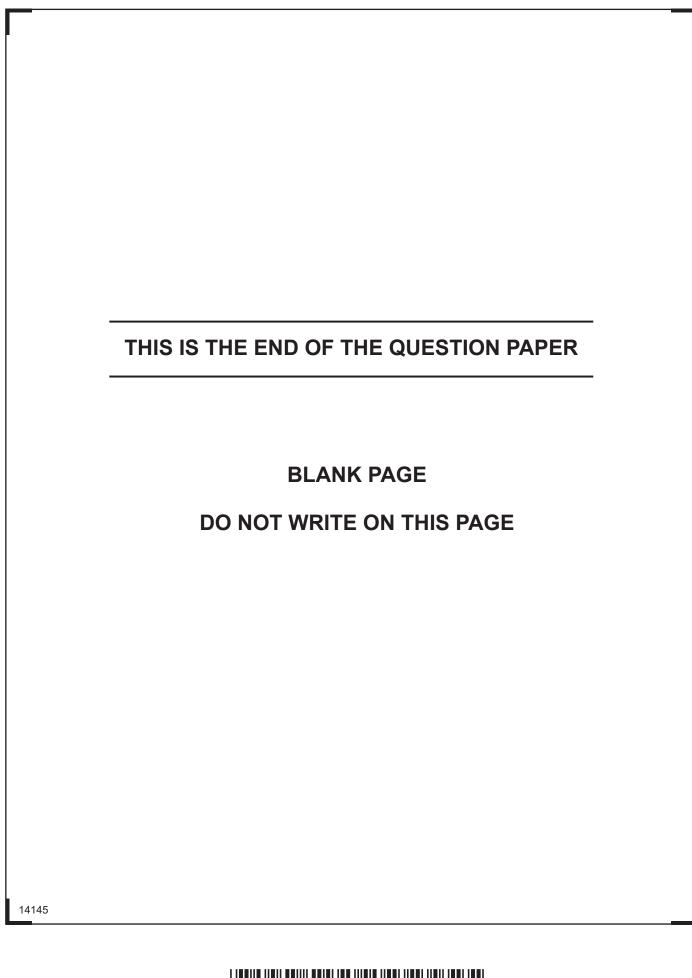
Calculate the margin of safety and explain its significance for the business.

Margin of safety _____

Significance

____[3]





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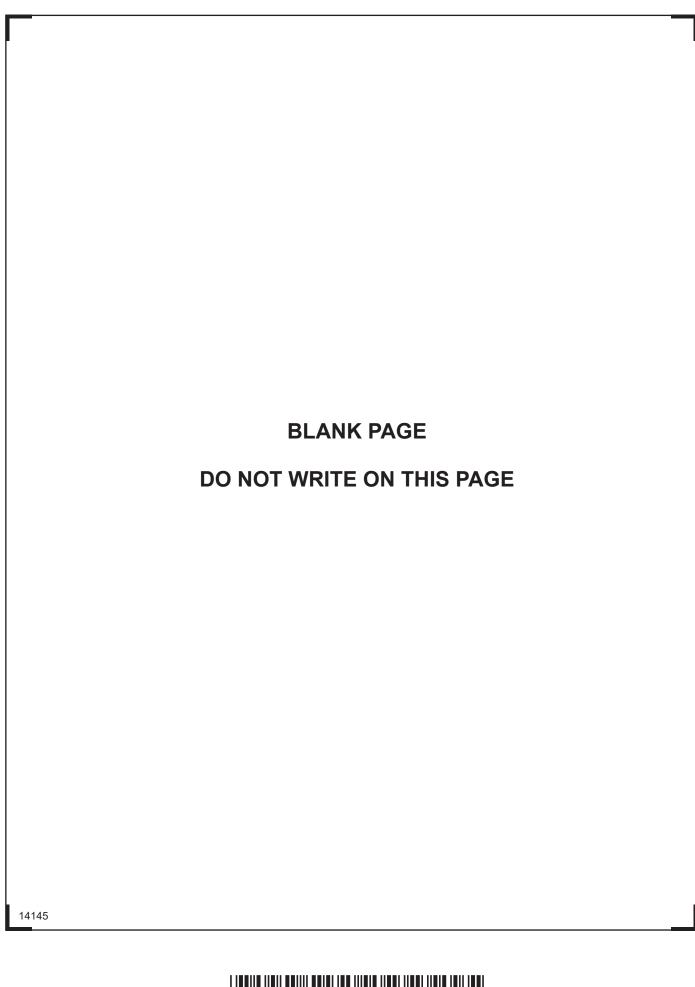
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