Write your name here Surname	Othe	er names
Pearson Edexcel GCE	Centre Number	Candidate Number
Business St and Busines Advanced Subsidi Unit 1: Developing	SS iary	
Monday 18 May 2015 – I	3	Paper Reference 6BS01/01 6EB01/01
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.
- Answer **all** questions in Section A and Section B.
- Answer the questions in the spaces provided
 there may be more space than you need.
- You may use a calculator.

Information

- The total mark for this paper is 70.
- The marks for each question are shown in brackets
 - use this as a guide as to how much time to spend on each question.
- Questions labelled with an asterisk (*) are ones where the quality of your written communication will be assessed
 - you should take particular care on these questions with your spelling, punctuation and grammar, as well as the clarity of expression.

Advice

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

Turn over ▶

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SECTION A

Answer ALL the questions in this section.

Write the letter of your chosen answer in the box and then explain your choice in the space provided.

You should spend 30 minutes on this section. Use the data to support your answers where relevant. You may include diagrams and annotate in your answers.

	reference for may include anagrams and annotate in your answers.	
1	In 2013, after conducting market research, Tesco introduced more dining areas, coffee shops and even yoga classes to tempt customers back to its retail park stores.	
	(a) This might best be described as	
		(1)
	A market segmentation	
	B market growth	
	C test marketing	
	D market orientation	
	Answer	
	, and the same of	
	(b) Explain your answer	(0)
		(3)
	(Total for Question 1 = 4 mar	ks)
	<u> </u>	-

2	Ga	ndy	nd Paul Forkan started a footwear business in 2011 using the brand name rs to sell stylish and fun flip-flops. They donate 10% of their profits to an nage in Goa, India.	
	(a)	Th	e entrepreneurial motive for this donation is best described as	(1)
		A	a trade-off	
		В	paternalistic	
		C	an ethical stance	
		D	a desire to work independently	
		An	swer	
	(b)	Ex	plain your answer	
				(3)
_			(Total for Question 2 = 4 mar	ks)

In 2008 the exchange rate for \pounds sterling averaged 60 Indian Rupees. By July 2013, the \pounds sterling had risen in value to 80 Indian Rupees.	
(a) This could have led to	(1)
A an increase in the number of UK tourists visiting India	
B an increase in the number of Indian people visiting families in the UK	
C a fall in the volume of steel made in India and sold to the UK	
D an increase in the demand in India for chocolate made in the UK	
Answer	
(b) Explain your answer	(3)
(Total for Question 3 = 4	4 marks)
	 (a) This could have led to A an increase in the number of UK tourists visiting India B an increase in the number of Indian people visiting families in the UK C a fall in the volume of steel made in India and sold to the UK D an increase in the demand in India for chocolate made in the UK Answer

4	Adidas, the world's second biggest sportswear firm, reported that in the first three months of 2013, operating profits rose by 6% to 308m euro and the gross profit margin was 50.1%.	
	(a) This means that during the previous three months	(1)
	A the sales volume was double the gross profit	
	B costs and expenses were 44.1% of sales	
	C operating profits were 290.56m euro	
	D the operating profit margin was 44.1% of gross profits Answer	
	(b) Explain your answer (show your workings)	(3)
	(Total for Question 4 = 4	marks)

5	In January 2015, Lee Andrews set up his first business called Man-i-cure, a men's grooming salon. Before starting up Man-i-cure, Lee prepared a business plan.	
	(a) A business plan usually contains each of the following except :	(1)
	A marketing plan	
	B retained profit	
	C premises and equipment needed	
	D human resources required	
	Answer	
	(b) Explain your answer	(0)
		(3)
	(Total for Question 5 =	4 marks)

	The Titanic Visitor Centre in Belfast, opened in March 2012. During its first year, it exceeded its initial target of 450,000 visitors and is on track to break-even.	
(ã	(a) Which of the following would indicate that the Titanic Visitor Centre has reach break-even point?	ned (1)
	A Demand equals supply	
	B Margin of safety is zero (0)	
	C Fixed costs are zero (0)	
	D Contribution is zero (0)	
	Answer	
(k	(b) Explain your answer	(3)
	(Total for Question 6 =	4 marks)



7	de	cisic	Eye is a new technology that assists sporting officials in making accurate ons. In 2013, the English Premier Football League (EPL) became the first stic league to introduce Hawk-Eye.	
	(a)	Th	is innovation might do all of the following except :	(1)
		A	differentiate the EPL from other leagues	
		В	affect various stakeholders in the EPL	
		C	guarantee an operating profit for all the EPL clubs	
		D	cause opportunity costs	
		An	swer	
	(b)	Ex	olain your answer	(0)
				(3)
			(Total for Question 7 = 4 ma	rks)

8	In August 2013, UK fashion and home ware retailer Cath Kidston reported that UK sales were up 21% in the year to March and international sales were up by 53% in t same period.	he
	(a) These increases are most likely because	(1)
	A the £ sterling had appreciated	
	B consumer wants were met	
	C low levels of trade credit were available	
	D of high rates of unemployment in the UK Answer	
	(b) Explain your answer	(3)
	(Total for Question 8 = 4	marks)
	TOTAL FOR SECTION A = 32 I	MARKS



SECTION B

Read the article below, then answer ALL the questions that follow.

You are advised to spend 45 minutes on this section.

Evidence A





At the age of 24, Matthew Nation wanted to live a certain lifestyle, which he could only do by being his own boss. This included the freedom to set his own working hours, target

the type of person he wanted to meet and listen to his *own* music all day! After speaking with Matthew it is also clear that he is passionate about independent brands and shops. He wanted to offer an alternative range of clothing, magazines and books to those typically found on the high street and from larger on-line retailers like ASOS. So in the autumn of 2011 he set up PROVIDE, in the Custard Factory creative and retail centre, Birmingham.



'Pop-Up' Start

Matthew decided it would be a good idea to start selling his range of clothing like T-shirts and beanie hats by using a pop-up store at the Custard Factory. This avoided taking on the commitment of an annual lease agreement. Pop-up stores,

also known as pop-up retailing or flash retailing, are a trend of opening short-term sales spaces which can serve as a test marketing method. Established businesses also use this concept to take up sites from October to January each year, either within shopping centres or in vacant shops to benefit from the higher Christmas trade. Other national retailers see pop-up stores as temporary lettings giving the opportunity to sell excess stock or to try out certain product lines.

Friendly Finance

Matthew was unable to obtain the £20,000 start-up capital from a commercial bank. To finance the business it was clear that Matthew needed to use his own savings and obtain loans from friends and family. As the business developed he started to obtain trade credit, though this was usually limited to 30 days.

Two Years On

With almost two years of trading completed, Matthew has managed to expand operations at PROVIDE. He now has a member of staff working for him, Reena Sohpal, who describes Matthew as 'inspirational and enthusiastic'.

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Reena and Matthew work very closely together. Matthew takes time to 'develop and teach Reena to think and act' as he does.

Reena is often left to work independently, using her initiative and making smaller decisions on her own. These include editing products in the PROVIDE online store, adding items to the inventory (stock) or engaging in the essential use of social media, such as Twitter and Facebook. Using social media supports PROVIDE's market research and promotes various marketing strategies aimed at the business' discerning customers.

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Matthew regards his customers as "those who may wish to explore the three statements that underpin PROVIDE: Choose Adventure, Embrace Failure, Defy Impossible."

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(Source: Interview with Matthew Nation. Jim Byng)

Evidence B

Table 1: UK Inflation Rates (Consumer Price Index) and UK Government Spending: 2007–2013

Year	Inflation Rates (%)	Government Spending (£billion)
2007	2.3	549
2008	3.6	582
2009	2.2	634
2010	3.3	672
2011	4.5	693
2012	2.8	694
2013 (estimated)	2.7	675

 $(Sources: http://www.rateinflation.com/inflation-rate/uk-historical-inflation-rate http://www.ukpublicspending.co.uk/year_spending_2012UKbn_13bc1n\#ukgs302)\\$

9	9 Analyse two non-price factors that could increase the demand for PROVIDE's products.			
	(Total for Question 9 = 6 marks)			

xplain one possible be	Henr of Matthew SiedC	icisilip style to FNOVI	UL.
		(Total for Q	uestion 10 = 4 marks

11 Assess the likely value of 'pop-up' retailing to new businesses such as PROVIDE.		
(Total for Question 11 = 8 marks)		

12 Evaluate Matthew's choice of financing for his start-up capital.		
(Tota	al for Question 12 = 8 marks)	



*13 With reference to Table 1, assess whether or not PROVIDE would be affected by:		
(a) an increase in UK inflation rates		
	(6)	



(b) a decrease in UK Government spending	(6)
	(Total for Question 13 = 12 marks)
	TOTAL FOR SECTION B = 38 MARKS TOTAL FOR PAPER = 70 MARKS









