

Write your name here

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Centre Number

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Business Studies/Economics and Business

Advanced Subsidiary

Unit 1: Developing New Business Ideas

Monday 19 May 2014 – Afternoon

Time: 1 hour 15 minutes

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.*
- Quality of written communication will be taken into account in the marking of your response to Question 13 in Section B. This question is indicated with an **asterisk***
– *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.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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PEARSON

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 annotate and include diagrams in your answers.

- 1 (a) In the year to 29 December 2011, the UK sandwich chain Pret A Manger experienced an increase in sales revenue of 15% to £377 million. Operating profits during the same period increased by 14% to £52.7 million.

This shows that over this period

(1)

- A costs must have increased by 1%
- B the operating profit margin was 14%
- C the operating profit margin fell by 1%
- D gross profits were £324.3 million

Answer

- (b) Explain your answer (show your workings).

(3)

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(Total for Question 1 = 4 marks)



2 (a) In February 2012, football star David Beckham launched a range of men's underwear called Bodywear. This range is only being sold in H & M high street stores.

This business opportunity for H & M is best described as a form of

(1)

- A test marketing
- B trade-off
- C market mapping
- D market differentiation

Answer

(b) Explain your answer.

(3)

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(Total for Question 2 = 4 marks)



- 3** (a) The Old Amalfi Italian restaurant in Russell Square, London, prepares more expensive dishes made with fresh pasta, herbs, fruit and vegetables.

The use of fresh ingredients at the Old Amalfi might be regarded as an example of (1)

- A** contribution
- B** qualitative research
- C** trade credit
- D** adding value

Answer

- (b) Explain your answer. (3)

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(Total for Question 3 = 4 marks)



- 4 (a) Graphotism is a quarterly magazine aimed at street artists in the UK. It is not widely available to buy from newsagents.

Graphotism is an example of a product which has

(1)

- A a market niche
- B potential sample bias
- C limited liability
- D a high sales volume

Answer

- (b) Explain your answer.

(3)

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(Total for Question 4 = 4 marks)



5 (a) In April 2012, Yahoo announced that it was cutting 14% of its workforce to focus its resources on supplying products in the profitable mobile technology market.

This is **most likely** to result in a fall in

(1)

A the price of mobile phones

B the demand for websites

C Yahoo's long-term profits

D the number of emails

Answer

(b) Explain your answer.

(3)

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(Total for Question 5 = 4 marks)



- 6 (a) Tesco, the UK's biggest supermarket chain, was due to launch Tesco Cars – an online car sales company – in the summer of 2012. However, Tesco abandoned the project.

This decision may be explained by each of the following, **except**

(1)

- A rising levels of unemployment
- B difficulties in obtaining a supply of vehicles
- C an ethical stance taken by directors
- D increasing motor insurance costs

Answer

- (b) Explain your answer.

(3)

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(Total for Question 6 = 4 marks)



- 7 (a) To raise money for the charity Children in Need, a group of business students at Landau Forte College in Derby, bought and resold Krispy Kreme doughnuts. Cost of sales was £80, average selling price was £1.20, fixed costs were £20 and 200 doughnuts were sold.

What was the total contribution from the sales of the doughnuts?

(1)

- A £240
- B £220
- C £160
- D £140

Answer

- (b) Explain your answer (show your workings).

(3)

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(Total for Question 7 = 4 marks)



SECTION B

Answer ALL the questions in this section.

You are advised to spend 45 minutes on this section.

Marvin – Mr Motivator!

As a teenager, Marvin Burton battled with his weight. By the time Marvin left school he was 16 stone (100 kgs), so he decided to work in the fitness industry to try and help overcome his weight problem. Marvin worked in a number of roles from gym receptionist, aerobics instructor, personal trainer, to the Director of Fitness on a cruise ship – teaching and training over 2,000 passengers!

As an essential part of his professional development, Marvin studied and often undertook training in areas such as sports massage therapy, diet and nutrition and anatomy.

In 2008, Marvin started his own fitness company, Advanced Conditioning Ltd. He often worked with professional sports people on a one-to-one basis. Marvin also ran group exercise classes. Since much of his work required him to be flexible, he set up an office at home. When Marvin needed a fitness studio or large equipment for his clients, he simply hired it, often from well known health club chains, such as Virgin Active.

Since 2011, Marvin has teamed up with four other self-employed professional sports trainers, a masseur and a chef, to provide exclusive well-being stay away breaks. The team, operating collectively as Fitness Retreat Ltd, hire luxury countryside venues such as The Lindens, in Dorset. The Lindens is a fabulous 18th century manor house which has a heated swimming pool, all-weather tennis courts and acres of amazing woodland and gardens – the perfect setting for a great fitness getaway.

Fitness Retreat Ltd offers its breaks across the UK for four or seven days. Those who attend learn about exercise, nutrition, motivation, recovery and general well-being. The team use well-proven methods to achieve great results in weight loss and fat burn. There have been many happy clients who achieved their targets. One client, sales manager Lucy Adamson, commented: "I wanted to lose two stone for my wedding. I tried for a long time but found it hard. When I started work with Marvin it seemed as though we didn't have to do all of the things that I was trying. I looked forward to the sessions and the weight came off easily"

Marvin is first and foremost an international fitness educator, working as a consultant to all major health chains and a number of sports clubs. "I call him the Guru, he's a legend and makes me laugh. I can't believe how much he knows" said Matt Richards of Derby County Football Club.

When business is quiet – which is rare these days – Marvin writes educational material and trains other trainers.



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9 (a) Analyse **one** reason why Advanced Conditioning Ltd might experience an increase in sales volume.

(3)

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(b) Analyse **one** reason why Advanced Conditioning Ltd might experience an increase in variable costs.

(3)

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(Total for Question 9 = 6 marks)



12 Assess whether or not an increase in unemployment might affect Fitness Retreat Ltd.

(8)

Handwriting practice area consisting of 20 horizontal dotted lines.

(Total for Question 12 = 8 marks)



