

Monday 11 May 2026 – Afternoon

GCSE (9–1) Business

J204/01 Business 1: business activity, marketing and people

Time allowed: 1 hour 30 minutes

You can use:

- a calculator



Please write clearly in black ink. **Do not write in the barcodes.**

Centre number

--	--	--	--	--

Candidate number

--	--	--	--

First name(s)

Last name

INSTRUCTIONS

- Use black ink.
- Write your answer to each question in the space provided. You can use extra paper if you need to, but you must clearly show your candidate number, the centre number and the question numbers.
- Answer all the questions.

INFORMATION

- The total mark for this paper is 80.
- The marks for each question are shown in brackets [].
- Quality of extended response will be assessed in questions marked with an asterisk (*).
- This document has 20 pages.

ADVICE

- Read each question carefully before you start your answer.

Section A

1 What would be included in the person specification for a teacher?

- A** The academic qualifications required
- B** The main duties of teachers working at the school
- C** The number of lessons to be taught each week
- D** The salary to be paid to the successful applicant

Your answer

☐

[1]

2 Who are internal stakeholders of a supermarket?

- A** Food manufacturers
- B** Local government hygiene inspectors
- C** Sales assistants
- D** Shoppers

Your answer

☐

[1]

3 Which way of working limits the number of hours an employee works?

- A** Being self-employed
- B** Flexible working
- C** Part-time working
- D** Temporary working

Your answer

☐

[1]

- 4 Trip22 Ltd manufactures specialist clothing for cyclists. The company, owned by two brothers, has grown rapidly since it started. The brothers are concerned that the company cannot keep up with demand.

What would help Trip22 Ltd deal with this problem?

- A Become a partnership
- B Detailed planning
- C Extend the product range
- D Reduce productivity

Your answer

☐

[1]

- 5 A business has temporarily reduced its prices by 10% to attract more customers.

This is an example of:

- A competitor pricing
- B cost-plus pricing
- C penetration pricing
- D promotional pricing

Your answer

☐

[1]

- 6 A business has recently changed its main objective from 'profit' to 'increasing market share'.

This change in objective may be because the business wants to:

- A increase brand awareness
- B lower its costs
- C reduce its output
- D use price skimming

Your answer

☐

[1]

- 7** Jack works as a marketing assistant for a bakery.

What would be part of Jack's job role?

- A** Creating a healthier recipe for chocolate cake
- B** Designing a competition to increase sales of pies and pasties
- C** Producing a job advertisement for an additional pastry chef
- D** Updating the staff development plan for baking apprentices

Your answer

☐

[1]

- 8** What is an advantage for a business of using digital communication methods?

- A** It is impossible for messages to be lost
- B** The software needs frequent updating
- C** The technology always works
- D** Worldwide communication is possible

Your answer

☐

[1]

- 9** Two sisters have set up their own pet portrait business, trading as a partnership.

What is the sisters' reward for this enterprise?

- A** Compliments from customers about the quality of the artwork
- B** Profit made by the business at the end of the first year of trading
- C** Receiving payments of £95 for each pet portrait completed
- D** Winning an award from a local university for their entrepreneurship

Your answer

☐

[1]

- 10 A producer chooses to sell its goods directly to a retailer rather than use a wholesaler.

What is an advantage to a producer of **not** including a wholesaler in its distribution channel?

- A The producer can set the price that the retailer charges
- B The producer is likely to make more profit on each item sold
- C The producer's storage costs are likely to be lower
- D The producer's transport and distribution costs will be lower

Your answer

☐

[1]

- 11 What is the **most** likely disadvantage for customers of poor employee retention at a hair salon?

- A Additional finance will be required to cover higher recruitment costs
- B Customers will be pressured into buying more expensive hair products
- C The stylists are more likely to rush and make mistakes with the hairstyle
- D The stylists will be less familiar with how the customers like their hair

Your answer

☐

[1]

- 12 A toy manufacturer wants to produce one new toy. Its market research shows that:

- 9% of parents with children under 5 and 17% of parents with children aged 5–11 said they would consider buying the product
- of these parents, 35% favour a dinosaur-themed toy with the remainder favouring a space-themed toy.

What does the market research suggest the toy manufacturer should do?

- A Produce a dinosaur-themed toy and target 5–11 year olds
- B Produce a dinosaur-themed toy and target the under 5s
- C Produce a space-themed toy and target 5–11 year olds
- D Produce a space-themed toy and target the under 5s

Your answer

☐

[1]

13 Why might a dental surgery choose to confirm appointment times by sending a text to the patient rather than making a phone call?

- A** Because a patient's appointment time is confidential
- B** Because each patient's appointment time will be different
- C** So that dental staff can discuss any concerns the patient has
- D** So that the patient has a written record of the appointment time

Your answer

☐

[1]

14 A cinema chain buys a hotel chain.

This is an example of:

- A** a horizontal takeover
- B** a vertical takeover
- C** diversification
- D** organic growth

Your answer

☐

[1]

15 A website design agency may choose to use a flat organisational structure because:

- A** fast communication is important for the agency's success
- B** giving graphic designers lots of promotion opportunities increases motivation
- C** narrow spans of control improve managerial efficiency
- D** there will be less need for innovation by website designers

Your answer

☐

[1]

7
BLANK PAGE

DO NOT WRITE ON THIS PAGE

Question 16 starts on Page 8

Section B

16

Text 1

The Range

CDS (Superstores International) Limited trades as 'The Range'. The retailer sells a variety of home, leisure and garden products at lower prices than many competitors. Entrepreneur, Chris Dawson, opened The Range's first store in 1989 using profits saved from running a market stall. Meeting changing customer needs can be challenging, but The Range is one of the fastest growing retailers in the UK. It sells products from its website and more than 210 stores nationwide.

Chris Dawson is always looking to open new stores. Opening a new store is a large investment. Primary research helps to ensure that new stores are located in areas of high customer demand.

The Range sells more than 140 000 different products including art supplies, stationery, pet products, garden tools and home furnishings, such as cushions and bedding. The business serves a large customer base covering different market segments.

(a) Explain **one** purpose of business activity.

.....

.....

.....

.....[2]

- (b) Explain **three** advantages for The Range of using primary market research rather than secondary market research to make decisions.

1

.....

.....

.....

2

.....

.....

.....

3

.....

.....

.....

[6]

- (c) Analyse **one** likely reason why a large product range is important to The Range.

.....

.....

.....

.....

.....

.....

.....

.....

.....

[3]

(d)

- (i) Identify **two** methods of segmenting a market.

1 2

.....

[2]

Turn over

(ii) Evaluate whether The Range should use market segmentation.

[7]

11
BLANK PAGE

DO NOT WRITE ON THIS PAGE
Question 17 starts on Page 12

17

Text 2

Numatic International Ltd (Numatic)

Adapted from www.bbc.co.uk/news/uk-england-somerset-65043089#?text=South%20Somerset%20District%20Council%20has,the%20town%20and%20local%20area, en.wikipedia.org/wiki/Numatic_International and secure.workforceready.eu/ta/6150319.careers?CareersSearch=&lang=en-GB. Item rem

(a) State **two** stages of the product lifecycle.

1 2

 [2]

(b) Explain **three** ways that employment legislation impacts on Numatic's human resources management. 1

.....

 2

 3

 [6]

- (c)** Analyse **one** advantage for Numatic of motivating employees using non-financial methods.

[3]

- (d)
(i) Analyse **one** advantage for Numatic of using on-the-job training to train new employees.

[3]

- (ii) Analyse **one** advantage for Numatic of using off-the-job training to train new employees.

[3]

- (iii) Recommend whether Numatic should use on-the-job training **or** off-the-job training for its new employees. Give a reason for your answer.

.....[3]

15
BLANK PAGE

DO NOT WRITE ON THIS PAGE
Question 18 starts on Page 16

Text 3

Ivan's Construction

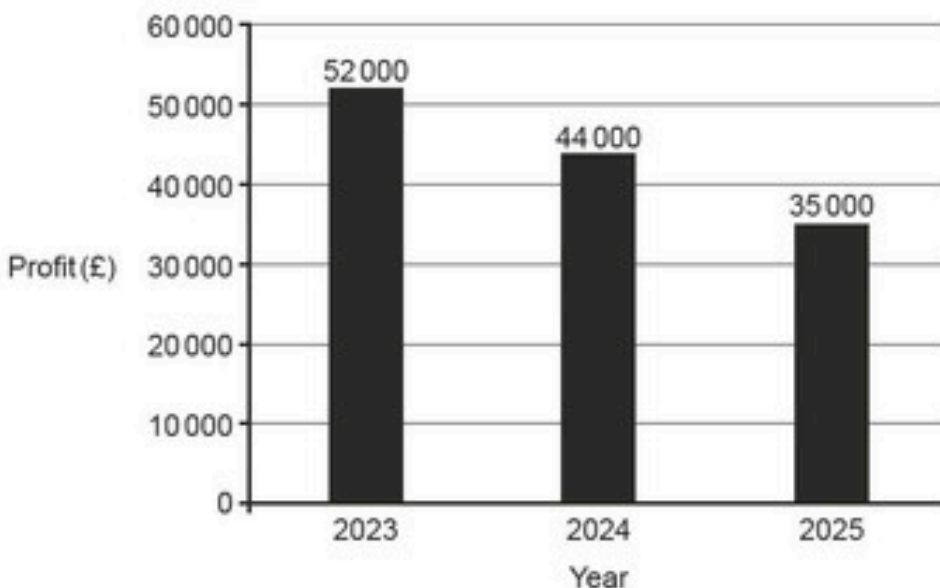
Ivan's Construction is a small building firm owned by a sole trader, Ivan. The business has operated for seven years. Ivan specialises in small to medium-sized projects including building garden walls, house extensions and roof repairs. Ivan has two experienced full-time employees.

Another local building firm opened two years ago. This competitor's prices are 10% lower than Ivan's. However, Ivan has heard rumours about the poor quality of the competitor's work. He has managed to carry out some basic market research about customer satisfaction. Ivan's findings are shown in the table.

	Percentage of customers who are very satisfied
Ivan's Construction	75%
The competitor	35%

Ivan relies on his employees' skills to maintain his firm's reputation for high quality. Due to limited funds he did not give his employees a pay rise last year. However, they have threatened to leave if they are not given a 5% pay rise this year. Ivan knows that if they leave, he would struggle to replace them because he pays less than his competitors.

Ivan is also concerned about a recent fall in his profits, shown in the bar chart. His aim is to increase profits to £50 000 per year.



(a) Identify one method of selecting new employees.

[1]

(b) Analyse **two** disadvantages for Ivan of operating the business as a sole trader.

.....

.....

.....

.....

.....

.....

.....

.....

.....

[6]

(c) Ivan is planning a promotional campaign to attract new customers. He is considering using social media or printed leaflets.

(i) Analyse **one** advantage for Ivan of each of the promotional methods.

Social

media

.....

.....

.....

.....

.....

.....

.....

.....

.....

Printed leaflets

.....

.....

.....

.....

.....

.....

.....

.....

.....

[6]

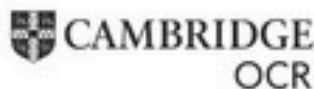
- (ii) Recommend whether Ivan should use social media **or** printed leaflets to promote his business. Give a reason for your answer.

[3]

- (d)* Evaluate, using the numerical data in **Text 3**, whether Ivan should prioritise his aim of increasing profits. **[9]**

[illegible]

END OF QUESTION PAPER



Copyright Information

Cambridge OCR is committed to securing permission to reproduce all third-party content that it uses in its assessment materials. If Cambridge OCR has unwittingly failed to correctly acknowledge or clear any third-party content in this assessment material, Cambridge OCR will be happy to correct its mistake at the earliest possible opportunity. To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced in the Cambridge OCR Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download from our public website (www.ocr.org.uk) after the live examination series.

For queries or further information please contact The Cambridge OCR Copyright Team, The Triangle Building, Shaftesbury Road, Cambridge CB2 8EA.

Cambridge OCR is part of Cambridge University Press & Assessment, which is itself a department of the University of Cambridge.