



General Certificate of Secondary Education
2018

Centre Number

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Candidate Number

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Business Studies

Unit 1

Business Start Up



[GBS11]

GBS11

WEDNESDAY 23 MAY, MORNING

TIME

1 hour 20 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 75.

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 question **2(h)**.



Answer all questions

1 The boxes below contain types of business organisations in the private sector.

Sole trader

Partnership

plc

Ltd

Franchise

(a) Identify the types of business organisations that have unlimited liability.

_____ [1]
_____ [1]

(b) Explain the meaning of limited liability.

_____ [2]

(c) Name **three** advantages of a franchise for either a franchisee or a franchisor.

1. _____ [1]
2. _____ [1]
3. _____ [1]



(d) Write the following in full:

Ltd _____ [1]

plc _____ [1]

(e) Apart from liability explain **two** reasons why a Ltd business is considered less risky than a sole trading business.

[4]

[Turn over

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(f) Explain **two** differences between the public and private sectors.

[4]

(g) Discuss **two** reasons why the Government would want to encourage enterprise.

[4]



2 You have decided to set up your own business, "Kittypup Services". It will offer a range of different services including overnight accommodation for cats and dogs, dog walking, dog grooming, dog training and small animal veterinary services.

(a) In the table below explain how Kittypup Services would make use of the factors of production.

Land		[2]
Labour		[2]
Capital		[2]
Enterprise		[2]

(b) What **type** of production does Kittypup Services operate in?

_____ [1]

[Turn over



(c) Identify a changing trend across the types of production and explain **one** reason for this trend.

Trend _____ [1]

Reason _____

_____ [2]

(d) Discuss **two** factors that might influence the choice of location for Kittypup Services.

_____ [4]



(g) Select any **two** elements of the marketing mix and discuss how they would apply to Kittypup Services.

Element 1 _____ [1]

Application to business

Element 2 _____ [1]

Application to business



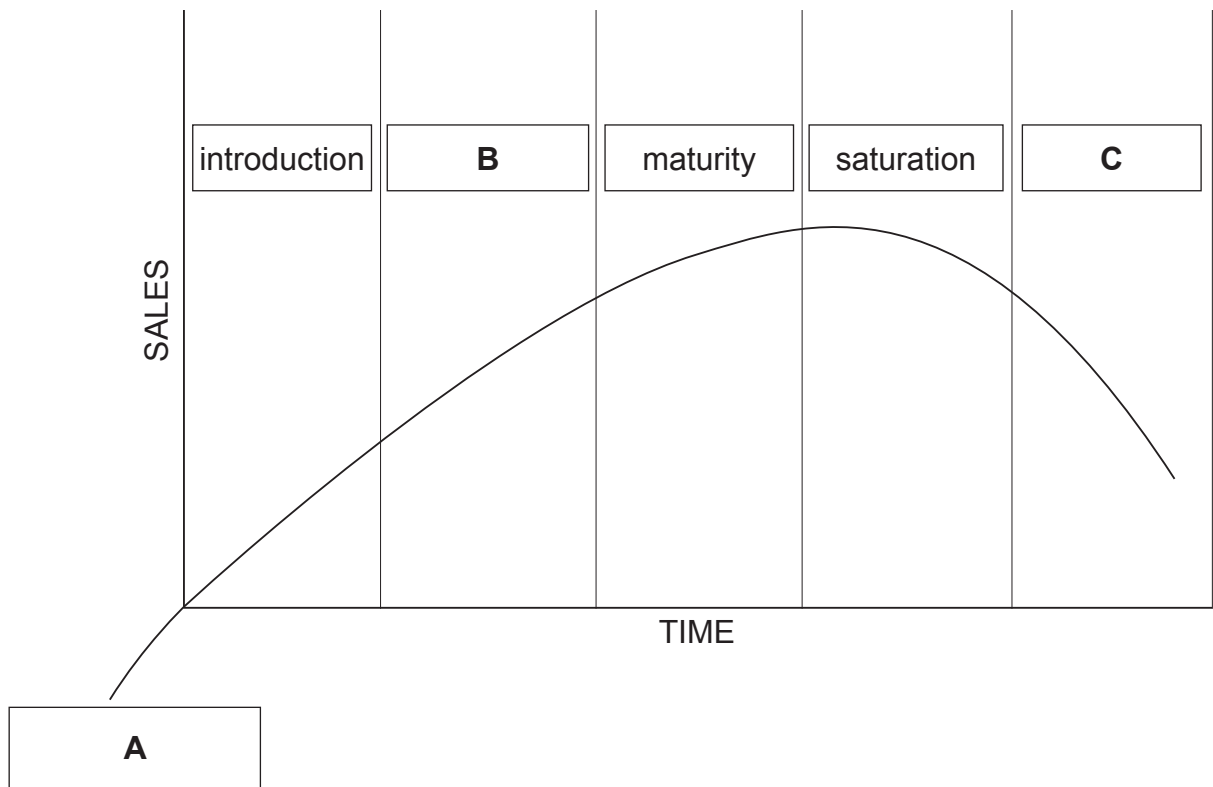
(h) Explain how Kittypup Services could make use of both primary and secondary research.

[6]

[Turn over



3 Study the diagram below of a product life cycle.



(a) Label the following stages:

A _____ [1]

B _____ [1]

C _____ [1]





(b) At the introduction stage which pricing policy is most likely to be used and why?

_____ [3]

(c) Discuss the legal constraints on a business when promoting its products.

_____ [4]

[Turn over





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Question Number	Marks
1	
2	
3	

Total Marks	
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Examiner Number

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