

Please write clearly in block capitals.

Centre number

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Candidate number

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Surname

Forename(s)

Candidate signature

I declare this is my own work.

INTERNATIONAL GCSE BUSINESS

Paper 1 Influences of operations and human resources on business activity

Tuesday 24 October 2023

07:00 GMT

Time allowed: 2 hours

Materials

For this paper you must have:

- a calculator, which you are expected to use where appropriate.

Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions.
- You must answer the questions in the spaces provided. Do not write outside the box around each page or on blank pages.
- If you need extra space for your answer(s), use the lined pages at the end of this book. Write the question number against your answer(s).
- All calculations must be shown.
- Do all rough work in this book. Cross through any work you do not want to be marked.

Information

- The marks for questions are shown in brackets.
- The maximum mark for this paper is 90.

Advice

You may use a bilingual dictionary.

For Examiner's Use	
Question	Mark
1–9	
10	
11	
TOTAL	



N 0 V 2 3 9 2 2 5 1 0 1

Section A

Answer **all** questions in the spaces provided.

For multiple-choice questions, only **one** answer per question is allowed.

For each question completely fill in the circle alongside the appropriate answer.

CORRECT METHOD



WRONG METHODS



If you want to change your answer you must cross out your original answer as shown.



If you wish to return to an answer previously crossed out, ring the answer you now wish to select as shown.



0 1

Which **one** of the following is a need, not a want?

[1 mark]

A Car

☐

B Designer clothing

☐

C Mobile phone

☐

D Water

☐

0 2

A financial method of motivation that involves receiving a percentage of any sales made is called...

[1 mark]

A commission.

☐

B profit sharing.

☐

C salary.

☐

D wage.

☐


0 3

The training a business provides for a new employee is...

[1 mark]

A induction training.

☐

B off the job training.

☐

C on the job training.

☐

D user training.

☐

0 4

A consequence of delayering is...

[1 mark]

A less delegation.

☐

B longer chains of command.

☐

C lower salary costs.

☐

D narrower spans of control.

☐

0 5

Which **one** of the following statements is **false**?

[1 mark]

A Fixed costs must be the same every month in any year.

☐

B Total costs equals variable costs plus fixed costs.

☐

C Total revenue equals selling price multiplied by units sold.

☐

D Total revenue minus total costs equals profit.

☐

Turn over for the next question

Turn over ►



0 6

Explain how social media can improve the experience customers have with a business.

[2 marks]

0 7

Explain what is meant by a public sector organisation.

Use an example in your explanation.

[2 marks]

0 8

Explain how total quality management (TQM) ensures that high-quality goods are consistently produced.

[2 marks]



0	9
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Explain **two** problems of using franchising as a method of growth.

[4 marks]

Problem 1 _____

Problem 2 _____

15

Turn over for Section B

Turn over ►



Section B

Answer **all** questions in the spaces provided.

1	0
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Item A – Starting the business

Zara's business idea is to start up a café, selling specialist teas and high-quality cakes and sweet treats. She has a clear idea of the café – somewhere that offers the best customer service, for highly-priced drinks and food. In her city in Egypt, people's incomes have risen. Zara has some savings that she plans to use, but needs to raise an extra 8500 Egyptian pounds (EGP).

The government offers all new entrepreneurs a free appointment with a business advisor. Zara visited the business advisor. The advisor told her to:

- set up the business as a limited company
- get her recruitment and selection right
- borrow the 8500 EGP at a fixed interest rate of 15% each year.

1	0	.	1
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Identify and explain **one** other method of support that the government might offer to new entrepreneurs like Zara.

[3 marks]



1 0 . 2 Explain **two** benefits to Zara of setting up as a limited liability business.

[6 marks]

Benefit 1 _____

Benefit 2 _____

1 0 . 3 Zara plans to pay off the loan in full after 2 years. Calculate the total amount she will pay to the bank.

Show your calculations.

[3 marks]

Answer _____ EGP

Question 10 continues on the next page

Turn over ►



[6 marks]

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Question 10 continues on the next page

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ANSWER IN THE SPACES PROVIDED**

Turn over ►



Item B

Zara will buy her tea from importers bringing it in from Asia and Africa. Once the tea arrives at the port, it is packaged by a local tea manufacturer.

Food will come from a high-quality bakery on the edge of town.

Zara must decide where to locate her café. The city has a busy seaport. The port has encouraged investment throughout the city. As a result, the city centre is modern and busy. Many high-priced designer shops can be found in the city centre.

Zara is considering possible sites:

- Site X – on the edge of the city, near the busy seaport. This site is close to the bakery she will use to supply food. It is convenient for the many workers who work in the port, although the area is industrial.
- Site Y – in the city centre. This site is close to the main railway station with links to the whole country. It is on the main shopping street which has many well-known global designer shops.

Zara carried out a brief survey in each location to a sample of 20 potential customers to estimate the data shown in **Table 1**.

Table 1

	Site X – edge of city	Site Y – city centre
Near to	Port, bakery that supplies her food	Main railway station, designer shops
Expected spend per customer	50 EGP	100 EGP
Expected number of customers per day	250	500
Fixed costs per month	200 000 EGP	1 200 000 EGP
Type of area	Industrial, surrounded by factories and warehouses	Busy and clean city centre surrounded by banks and retailers
Competition	No local competitors	Several other cafés including global branded outlets



1 0 . 5

Explain how Zara's café relies on businesses in **both** the primary and secondary sectors.

[6 marks]

Primary sector _____

Secondary sector _____

Question 10 continues on the next page

Turn over ►



- [12 marks]**

[illegible]

[illegible]

36

Section C

Answer **all** questions in the spaces provided.

1	1
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Item C – Spark Motors Manufacturing (SMM)

Spark Motors Manufacturing (SMM) manufactures electric cars in the USA. Electric cars are more environmentally friendly than petrol or diesel cars. The market for electric cars has grown strongly over the last 10 years. SMM produces a zero-emissions product and it uses only recyclable materials to make its cars. SMM has created a brand image of being the most environmentally responsible car maker in the world.

SMM has announced that it will relocate its factory to Cambodia next year. The new factory should bring many benefits to the Cambodian economy. Construction of the factory will be led by SMM's current management team. SMM has said that it wants 75% of the factory's management team to be Cambodian within 3 years. SMM will use cell production in the factory. The process of assembling each car will be split between 12 cells. Each cell will be responsible for a part of the production process, from making the basic car frame through to final quality testing.

The business expects the move will lead to a significant reduction in unit cost from its current 30 000 US dollars (USD). Predicted data for the new factory in Cambodia is shown in **Table 2**.

Table 2

Predicted annual output	120 000
Predicted total costs (USD)	2 160 000 000

1	1
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1

Calculate the predicted percentage change in unit costs.

Show your calculations.

[3 marks]

Answer _____ %



1 1 . 2

Identify and explain **one** cost and **one** benefit to Spark Motors of making the world's most environmentally friendly car.

[6 marks]

Cost _____

Benefit _____

1 1 . 3

Explain **one** benefit to SMM of using cell production.

[3 marks]

Question 11 continues on the next page

Turn over ►



SMM has chosen Cambodia as the location of its new factory.

Analyse the benefits of this decision to the economy of Cambodia.

[6 marks]

[illegible]

Item D

SMM's Cambodian factory has been operating for a year. The project is considered a success. The modern factory, which operates on a just in time (JIT) basis, has achieved predicted output and cost levels. The factory does not start to manufacture a car until it receives an order from a customer. The quantity of inventory of components held by SMM is far lower than the car industry average because SMM only orders small batches of parts and components.

The last few years have seen a global economic downturn and global incomes falling. This has led to an average income in Cambodia this year of 1520 USD, 5% lower than last year's figure.



1 1 . 5 Calculate last year's income per head.

Show your calculations.

[3 marks]

Answer \$ _____

1 1 . 6 Analyse how the global change in consumers' incomes is likely to affect SMM.

[6 marks]

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[12 marks]

[illegible]

[illegible]

39



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