



GCE AS/A LEVEL

2510U20-1

THURSDAY, 22 MAY 2025 – AFTERNOON

BUSINESS – AS unit 2

Business Functions

2 hours plus your additional time allowance

ADDITIONAL MATERIALS

In addition to this examination paper, you will need:

- **a WJEC pink 16-page answer booklet**
- **a calculator.**

INSTRUCTIONS TO CANDIDATES

Use black ink, black ball-point pen or your usual method.

Answer ALL questions.

Write your answers in the separate answer booklet provided following the instructions on the front of the answer booklet.

Use both sides of the paper. Write only within the white areas of the booklet.

Write the question number in the left-hand margin at the start of each answer.

Leave at least two line spaces between each answer.

(Turn over)

INFORMATION FOR CANDIDATES

The number of marks is given in brackets at the end of each question or part-question.

You are reminded of the need for good English and orderly, clear presentation in your answers.

Answer ALL the questions.

PRODUCT LIFE CYCLE

- 11. Explain the relationship between the product life cycle and cash flow. [6 marks]**

LEADERSHIP

Leadership in business is the capacity of management to set and achieve goals, take fast and decisive action and inspire others to perform at the highest possible level. The leadership function of management is supported by various theories such as F. Fiedler (1976).

- 21. Outline the leadership theory of F. Fiedler (1976).
[4 marks]**
- 22. To what extent do you agree with the view that leadership is the key factor that impacts the success of a business? [10 marks]**

EQUAL OPPORTUNITIES

- 31. Evaluate the impact of equal opportunities on employers and employees. [8 marks]**

(Turn over)

CASH FLOW

Cori Stephens owns CS Clothing, a small high-quality manufacturer of men's clothing. CS Clothing sells its clothes through small independent fashion shops in towns across Wales. The clothes manufactured by CS Clothing target customers with higher incomes.

CS Clothing employs 15 workers at a monthly cost of £22 500. It operates from a rented factory on an industrial estate on the outskirts of Swansea at a monthly cost of £1 250. Cash flow is always a problem for the business and it may become even more challenging for CS Clothing as Cori Stephens has promised the workers a 5% increase in wages. In addition, the landlord of the factory has demanded a 3% increase in the rent.

The small independent fashion shops that buy from CS Clothing often pay late and the profit margins the business earns are marginal. Cori Stephens draws £3 000 from the business every month as his personal salary. Finished stock is kept in the stockroom ready for when an order is received and if there is spare material, the business uses the material to create a sample of new products to try and win additional orders.

(Turn over)

41. Describe the distribution channel used by CS Clothing. [2 marks]
42. Outline other suitable distribution channels that CS Clothing could use in the future. [4 marks]
43. Explain why small businesses continue to survive. [6 marks]
44. With reference to the proposed percentage increase in wages and rent, calculate:
- the new monthly cost of wages [2 marks]
 - the new annual cost of the rent. [2 marks]
45. Using both qualitative and quantitative data, evaluate ways in which CS Clothing may improve its cash flow. [12 marks]

VODAFONE

Vodafone is a UK-based company that provides a range of telecommunications services including mobile phone networks. Vodafone is one of the main mobile networks in the UK, with over 17 million customers. According to an independent study, Vodafone was voted the second-best network provider after EE based on features such as reliability, accessibility and speed.

In 2022, Vodafone's market share of the UK mobile network market was 18.6%. Vodafone is frequently placed in the top 10 of all companies with highest expenditure on advertising in the UK. Vodafone uses a number of different marketing strategies including:

- spending almost £15 million on newspaper advertising**
- existing customers are offered 15% discount when purchasing additional plans**
- existing customers are offered a £25 Amazon voucher for introducing a friend to join Vodafone.**

51. With reference to the data, state ONE above the line and ONE below the line advertising strategy used by Vodafone. [2 marks]
52. Explain the importance of branding to Vodafone. [8 marks]

In 2023, Vodafone employed 9 312 people across the UK. Vodafone's own technology enabled it to adopt flexible working practices. For example, in 2020, 2 300 call centre employees worked from home, Vodafone provided them each with a new laptop and headset. Vodafone's employees praise the flexible working practices, particularly the ability to work from home. A Project Manager at Vodafone said:

“Flexible working is one of the best things in Vodafone, working hours are very good compared to other companies. Also, working from home is common practice.”

Recent reports have found that many workers are putting in longer hours, taking fewer sick days and suffering increased anxiety due to working from home. Vodafone has provided wellbeing support and online training for its employees to develop new skills and to support line managers to manage their teams effectively when working from home.

In the UK, the trend of working from home is becoming more popular for many businesses, as new technologies are adopted to replace conventional working practices. The traditional office may therefore become a thing of the past as flexible working practices become more common.

- 53. Apart from home working, suggest and describe TWO other methods of flexible working practices that a business can adopt. [4 marks]**
- 54. Evaluate the impact of home working on Vodafone and its employees. [10 marks]**

END OF PAPER