



GCE A LEVEL



A510U10-1

WEDNESDAY, 14 MAY 2025 – MORNING

BUSINESS – A level component 1

Business Opportunities and Functions

**2 hours 15 minutes plus your additional
time allowance**

Surname _____

First name(s) _____

Centre Number _____

Candidate Number 2 _____

Section A

Section B

For Examiner's use only		
Question	Maximum Mark	Mark Awarded
1.	12	
2.	7	
3.	4	
4.	8	
5.	12	
6.	11	
7.	10	
8.	16	
Total	80	

ADDITIONAL MATERIALS

A calculator.

INSTRUCTIONS TO CANDIDATES

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

Write your name, centre number and candidate number in the spaces provided on the front cover.

Answer ALL questions.

(Turn over)

Additional space is provided for some questions within the booklet (if required). If further space is required for any question, you should use the lined page(s) at the end of this booklet. The question number(s) should be clearly shown.

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 necessity for good English and orderly presentation in your answers.

(Turn over)

Answer ALL the questions in the spaces provided.

SECTION A

1. CUTTING EDGE

Jamie qualified as a barber three years ago after completing the Level 3 Diploma in Barbering at college. While studying he worked in a barber shop, and since qualifying he has worked in two additional barber shops. In each of these jobs Jamie was mentored by experienced barbers, enabling him to develop further skills.

(Turn over)

Jamie has recently been a finalist in two national barbering competitions which generated much interest on Instagram and TikTok. He now wants to open his own barber shop, called Cutting Edge, and needs a bank loan of £15 000 to cover start-up costs and expenses for the first three months. He approached a high street bank who asked to see a business plan.

At the request of the bank, Jamie wrote a business plan, which included the aims of Cutting Edge, financial data, choice of location and market research, as well as other information. Jamie is planning to open his shop in the same area as the barbers in which he worked. He believes that many of his current clients will switch to Cutting Edge.

- (a) Define the term market research.
[2 marks]**

(b) Evaluate the importance of a business plan to the success of Cutting Edge. [10 marks]

9

(Turn over)

Additional space for Question 1(b) only.

2. CHOCOLATE EXPLOSIONS

Carly started an online shop on Etsy in 2021 selling a range of gifts. Etsy charges sellers fees for listing products and also for handling transactions and payments. One of Carly's most popular products is the 'exploding chocolate box'.

Carly made a profit of £7 350 in 2023 from selling 600 exploding chocolate boxes.

(Turn over)

The table on page 13 shows information relating to 2024 for the exploding chocolate box product that Carly sells through her online Etsy shop. Carly lives at home with her parents and therefore she does not incur any fixed costs.



(Turn over)

TABLE 1: 2024 data for sales of exploding chocolate boxes

Average number of boxes sold per month	60
Average selling price	£29.79
Average Etsy listing and transaction fee per box	£2.28
Average Etsy payment handling fee per box	£1.51
Average cost of chocolate per box	£11.75
Average cost of card and tape per box	£2.75

(Turn over)

- (a) Calculate Carly's annual profit for 2024. (Show your workings.) [4 marks]**

- (b) Calculate and comment on the change in average profit per exploding chocolate box between 2023 and 2024. (Show your workings.) [3 marks]**

3. CONSUMER PROTECTION

Describe TWO reasons why consumers sometimes need protection from exploitation from businesses. [4 marks]

[illegible]

(Turn over)

4. PUBLIC VS PRIVATE

Evaluate the view that the private sector has a more important role in the provision of goods and services than the public sector. [8 marks]

18

[illegible]

(Turn over)

Additional space for Question 4 only.

SECTION B

5. PRODUCT PROMOTION AT MATTEL

Mattel is a leading global toy manufacturer with an extensive product portfolio, including famous brands such as Barbie, Hot Wheels and Thomas & Friends. Mattel has factories in 35 locations and its products are available on its own website and in more than 150 countries distributed through retail and e-commerce businesses. Mattel operates in a competitive market, alongside other global toy manufacturers such as Hasbro and LEGO.

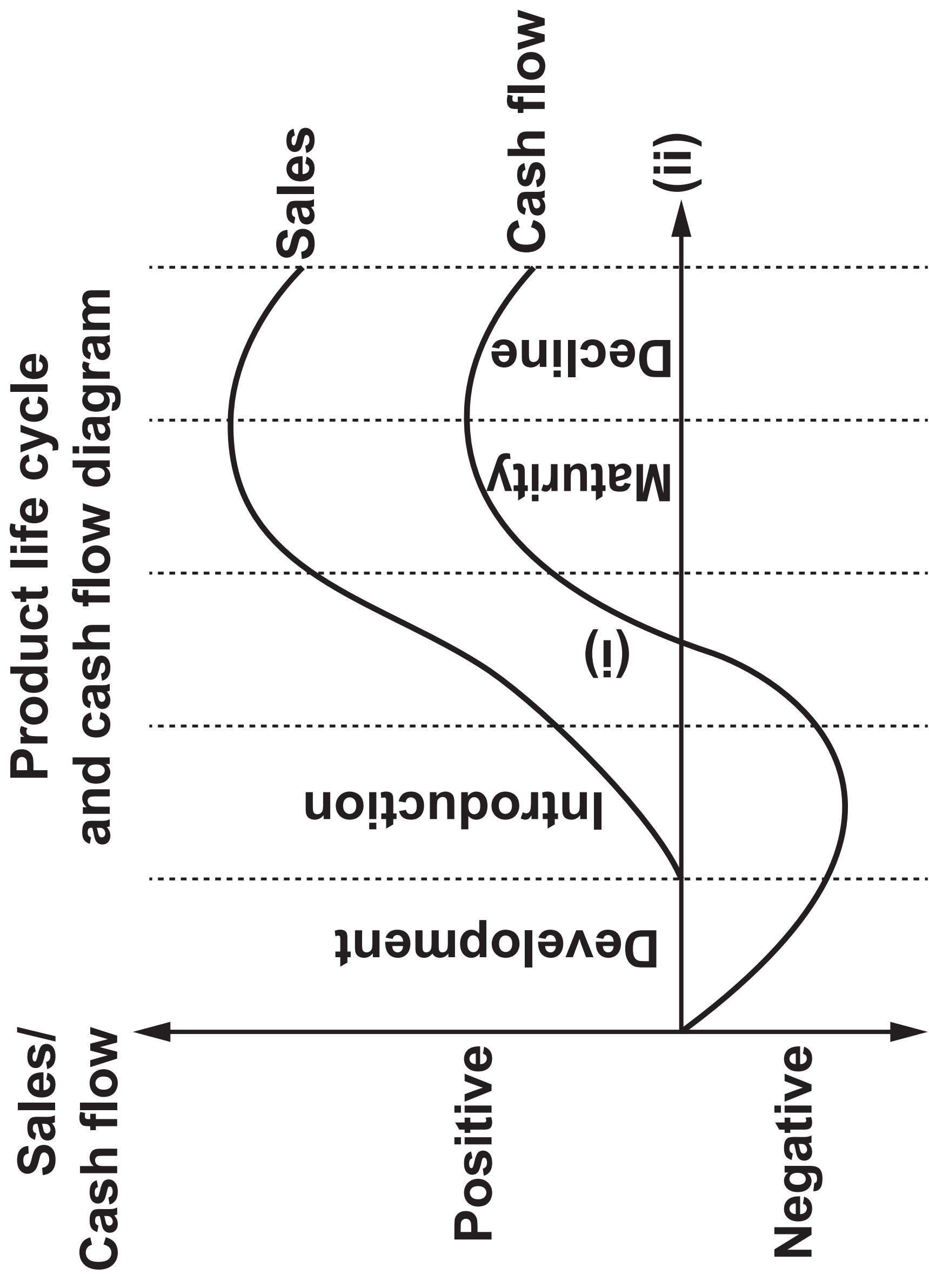
(Turn over)

Mattel uses a range of promotional strategies including TV, magazine and newspaper advertising, exhibitions and trade fairs, in-store sales promotions, its own website and social media sites.

Mattel launches and promotes many new products each year, such as the Barbie Eco-Leadership Team and the Hot Wheels Flying Customs Sto & Go. Sometimes new products replace those that have reached the end of their product life cycle.



(Turn over)



Look at the product life cycle and cash flow diagram on the page opposite.

(a) Identify the parts of the product life cycle labelled:

(i) _____ [1 mark]

(ii) _____ [1 mark]

(b) Describe why cash flow is negative in the introduction stage of the product life cycle. [2 marks]

(Turn over)

(c) Evaluate the impact on Mattel of using a range of promotional strategies when launching its new products. [8 marks]

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Additional space for Question 5(c) only.

6. Installing finance in EasyFit PLC

EasyFit PLC was established in 2005. It specialises in the design, manufacturing and installation of custom-made and off-the-shelf windows, doors, kitchens, bathrooms and flooring. EasyFit PLC employs 350 people in its offices, warehouses and mobile fitting teams. It has a 4.8 out of 5 TrustScore on TrustPilot.

EasyFit PLC is planning its future growth strategy, to include making and selling beds, garden furniture and security alarms. The Board of Directors is considering appropriate sources of finance to fund the expansion, which is estimated to be £1 650 000. The capital raised will be

(Turn over)

used primarily for buying machinery, stock and advertising. The Board of Directors has already agreed not to sell any of the company's existing assets. They do not want to lease the machinery.

The Board of Directors wants to reduce current stock levels to make room for new stock when the business expands. TABLE 2 on page 29 shows selected financial data for 2024.

TABLE 2: EasyFit PLC financial data for 2024

	£000's
Stock on 1st August 2023	1 470
Stock on 31st July 2024	1 520
Expenses	10 500
Purchases	14 500
Sales revenue	26 750

(a) Using relevant data from TABLE 2, calculate the gross profit for EasyFit PLC for 2024. [3 marks]

(b) Other than sale of assets and leasing, assess TWO appropriate sources of finance for EasyFit PLC's expansion plan. [8 marks]

[illegible]

(Turn over)

Additional space for Question 6(b) only.

7. FLEXIBLE WORKING

Flexible working will always benefit employers more than employees. Discuss this statement. [10 marks]

[illegible]

(Turn over)

34

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Additional space for Question 7 only.

**8. LEAN OPERATIONS AT
KIMBERLY-CLARK**

Kimberly-Clark is a well-known company that owns brands including Andrex, Huggies and Kleenex. It employs approximately 45 000 people globally. A quarter of the world's population uses at least one of its products every day.

Many of its products are made using flow production and Kimberly-Clark expects high-quality materials from its suppliers. It states in its Quality Policy that it aims to “design, manufacture and deliver products that meet all regulatory requirements and meet or exceed expectations for quality, performance and value for all our customers”.

Source: Quality (kimberly-clark.com)

Kimberly-Clark uses a range of lean production practices in its operational and logistical processes. It takes seriously its responsibility to make a positive contribution to the people it serves around the world and its lean initiatives have resulted in improved employee satisfaction.

(Turn over)

- (a) Define the term quality chain.
[2 marks]**

- (b) Outline TWO reasons why
Kimberly-Clark uses flow production.
[4 marks]**

(Turn over)

(c) Evaluate the impact of lean production on the stakeholders of Kimberly-Clark. [10 marks]

40

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Additional space for Question 8(c) only.

END OF PAPER

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[illegible]

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[illegible]