GradeMax

Please check the examination details below before entering your candidate information

Candidate surname	Other names

Pearson Edexcel
International Advanced Level

Centre Number | | | | | |

Candidate Number | | | | |

Tuesday 9 October 2018

Afternoon (Time: 1 hour 30 minutes) | Paper Reference **WBS01/01**

Business Studies

International Advanced Subsidiary
Unit 1: Business Enterprise

You do not need any other materials.

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions in Section A and Section B.
- Answer the questions in the spaces provided
  – *there may be more space than you need.*

Information

- The total mark for this paper is 80.
- The marks for **each** question are shown in brackets
  – *use this as a guide as to how much time to spend on each question.*
- In your responses, you should take particular care with punctuation and grammar, as well as the clarity of your expression.
- Calculators may be used.

Advice

- Read each question carefully before you start to answer it.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ▶

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SECTION A

Answer ALL the questions in this section.

Write the letter of your chosen answer in the box and then explain your choice in the space provided.

You should spend 30 minutes on this section. Use the data to support your answers where relevant. You may annotate and include diagrams in your answers.

1 Julie Deane decided to go into business for herself and started *The Cambridge Satchel Company* to produce her designer handbags.

(a) Which **one** of the following is the **most likely** reason for Julie's decision to set up her own business?

(1)

A For job security

B For a regular income

C To work fixed hours

D To work independently

Answer ☐

(b) Explain why this answer is correct.

(3)

(Total for Question 1 = 4 marks)

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2 After an excellent year of trading, *Midland Conference Services Ltd* plans to double the size of its business.

(a) Which **one** of the following is the **most appropriate** source of finance for this plan?

(1)

A Sale of assets

B Overdraft

C Debenture

D Trade credit

Answer ☐

(b) Explain why this answer is correct.

(3)

(Total for Question 2 = 4 marks)

3 Luxury jewellers *Tiffany & Co* is considering the market position of its newest range of steel bracelets.

(a) Which **one** of the following is a method of market positioning?

(1)

A Market sampling

B Market mapping

C Product orientation

D Product range

Answer

(b) Explain why this answer is correct.

(3)

(Total for Question 3 = 4 marks)

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4 In January 2016, the Royal Society for the Prevention of Accidents reported that the cost of health and safety problems to UK businesses was £2.8bn.

(a) What is the **main** purpose of health and safety legislation?

(1)

A Protects consumers from harmful products

B Ensures products are described accurately

C Ensures UK businesses do not use child labour

D Protects people from harm in the workplace

Answer ☐

(b) Explain why this answer is correct.

(3)

(Total for Question 4 = 4 marks)

5 The latest United Nations projections indicate that the world population will reach 10 billion people by 2056, resulting in an expected shortage of world food supplies.

(a) Which **one** of the following is a non-price factor that affects the supply of food?

(1)

A Change in demographics

B Change in technology

C Change in tastes and fashions

D Change in income

Answer ☐

(b) Explain why this answer is correct.

(3)

(Total for Question 5 = 4 marks)

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6 *Kellogg's* global hunger relief strategy 'Breakfasts for Better Days', aims to give away one billion cereal and snack servings to help people in need around the world.

(a) *Kellogg's* strategy is **most likely** to be influenced by which **one** of the following?

(1)

A Environmental considerations

B Government legislation

C Ethical considerations

D Digital economy

Answer ☐

(b) Explain why this answer is correct.

(3)

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(Total for Question 6 = 4 marks)

TOTAL FOR SECTION A = 24 MARKS

SECTION B

Answer ALL questions in this section.

You should spend 60 minutes on this section.

Evidence A: One to watch – the Gaming Girl

After graduating from the University of East London, Louise Leolin founded *DinoByte Labs*. This is a small, forward-thinking London-based independent games business, that offers expert consultancy to other similar businesses. One of her great passions is striving to make the games industry more professional. Louise also does her own research into what players enjoy across a variety of technologies and game types.

She has already worked with different clients, such as the *Marie Curie Foundation* and *Byron Hamburgers*, helping them to create their brands and understand their users' needs. *DinoByte Labs* is currently developing its own new game. Its design is underpinned by extensive user-testing and research, with over 5,000 respondents taking part.

(Source: adapted from © 2018 About Time Magazine)

Evidence B: We won an award and received a grant

When starting up, my business partner Christian Lovdal and I applied for a small grant. The intention was that the grant could help us improve and market our first game.

We were not entirely sure what to expect, as we were still a young business with no games yet released. There were at least 60 applicants for the grant, with a mix of entrepreneurial ventures like our own, as well as social enterprises.

We are now happy and excited to announce that we won, alongside six other businesses.

Hopefully we will have more to share with you soon about the game we are working hard on, and we are doing our best to show the judges that they made a great decision.

(Source: adapted from © 2015-2017 DinoByte LTD)

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Evidence C: Current projects

Louibyte
Our videos, exploring different cultures, food and beauty, are available on our blog and *YouTube* channel. I work with lots of different brands to spread awareness of their products including companies such as *Ubisoft, Chaos Cards, Inspire Me Korea* and more. I have about 1,500 subscribers and 100,000 views.

MageBoom
MageBoom will be a fixed shooter game developed for the mobile market. The player will take the role of a humorous witch or wizard who needs to defend their castle from incoming enemies.

Brambletyne Ltd
I work with *Brambletyne* as a presenter and content creator for their projects. Recently I took the role as lead designer on their new game 'Space Probe'. I present online promotional material for *Brambletyne* products in *YouTube* videos and podcasts.

(Source: adapted from © 2015 Louibyte)

Evidence D: Our services – games design

We make our own games, but we are so passionate about the games industry that we help others make their game ideas a reality. Our speciality is in design, where we focus on making your game playable, unique and marketable. We can help you present your game to potential financiers and stores.

- Front to Back Game Design
- Market and User Research
- Prototyping
- User Testing
- User Experience Reviews
- Quality Assurance Testing
- Game Design Document and Presentation

The best games undergo a large amount of testing, to ensure they will be well received and to save time and resources.

We strongly believe that the best designed games always consider the wants and needs of the user. 'User Testing' is important, as it will let you see what potential users might want to do in your game, what they expect and what doesn't work.

(Source: adapted from © 2015-2017 DinoByte LTD)

7 Explain **two** entrepreneurial characteristics demonstrated by Louise Leolin.

(Total for Question 7 = 6 marks)

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8 Louise set up *DinoByte Labs* in partnership with Christian Lovdal, the Creative Director of the business.

(a) Explain **two** advantages of a partnership for Louise and Christian.

(6)

(b) Explain **two** reasons why the grant was a suitable source of finance for *DinoByte Labs*.

(6)

(Total for Question 8 = 12 marks)

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9 Selected financial data from *DinoByte Labs*:

- Fixed costs to produce a new game £7 200
- Average variable costs per game £9
- Average selling price per game £45

(a) Using the data above, calculate the break-even output for *DinoByte Labs*. (Show your working.)

(4)

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(b) Assess the likely importance to *DinoByte Labs* of protecting its business and products with trademarks and patents.

(8)

(Total for Question 9 = 12 marks)

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10 Louise and Christian are key stakeholders in *DinoByte Labs*.

Assess the impact on them if *DinoByte Labs* continues to be successful.

(12)

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11 Evaluate the extent to which *DinoByte Labs* is a market-orientated business.

(14)

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(Total for Question 11 = 14 marks)

TOTAL FOR SECTION B = 56 MARKS
TOTAL FOR PAPER = 80 MARKS

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