Write your name here

Surname		Other names

Pearson Edexcel
International GCSE

Centre Number

Candidate Number

Business Studies

Wednesday 25 May 2016 – Morning
Time: 2 hours

Paper Reference
4BS0/01

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.
- There are two sections for this paper – Section A and Section B.
- Answer **all** questions.
- Answer the questions in the spaces provided
  – *there may be more space than you need.*

Information

- The total mark for this paper is 100.
- The marks for **each** question are shown in brackets
  – *use this as a guide as to how much time to spend on each question.*
- A calculator 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 ▶

P 4 5 8 6 8 R A 0 1 2 0

PEARSON

FORMULAE FOR INTERNATIONAL GCSE BUSINESS STUDIES

Gross Profit Ratio

Gross Profit = Sales revenue − Cost of goods sold

$$\text{Gross Profit ratio} = \frac{\text{Gross profit}}{\text{Sales revenue}} \times 100$$

Net Profit Ratio

Net Profit = Gross Profit − Overheads

$$\text{Net Profit ratio} = \frac{\text{Net profit before tax}}{\text{Sales revenue}} \times 100$$

Return On Capital Employed (ROCE)

$$\text{ROCE} = \frac{\text{Net profit before tax}}{\text{Net capital employed}} \times 100$$

Current Ratio

$$\text{Current ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

Acid Test Ratio

$$\text{Acid Test ratio} = \frac{\text{Current assets} - \text{Stock}}{\text{Current liabilities}}$$

James Morgan is the Managing Director and franchisee of a hotel in London called *The Trafalgar*. *The Trafalgar* is one of 25 hotels operated under the *Blue16* franchise. All its 25 hotels are situated near airports or in the centre of towns and cities. The guests are mainly business people working in the area for a short time or tourists sight-seeing and visiting relatives.

The Trafalgar has 60 bedrooms and is typical of other hotels in the *Blue16* franchise. Staff are employed either on a permanent or temporary basis.

All *Blue16* hotels have facilities that include:

• a restaurant
• a fitness centre
• meeting rooms
• car parking

SECTION A

Answer ALL questions. Write your answers in the spaces provided.

Some questions must be answered with a cross in a box ⊠. If you change your mind about an answer, put a line through the box ⊠ and then mark your new answer with a cross ⊠.

1 (a) (i) The fixed and variable costs for *Blue16* are shown in a

(1)

⊠ **A** break-even chart

⊠ **B** balance sheet

⊠ **C** bank statement

⊠ **D** profit and loss account

(ii) Which department would help an employee with a grievance at work?

(1)

⊠ **A** Production

⊠ **B** Human Resources

⊠ **C** Research

⊠ **D** Marketing

(iii) Which of the following is **not** part of the channel of distribution?

(1)

⊠ **A** Retailer

⊠ **B** Wholesaler

⊠ **C** Consumer

⊠ **D** Shareholder

(iv) *Blue16* needs to gather data on customers. Which term describes this?

(1)

⊠ **A** Market share

⊠ **B** Market orientation

⊠ **C** Market research

⊠ **D** Market segmentation

(v) When James Morgan asks an employee to carry out a task on his behalf, this is

(1)

⊠ **A** recruitment

⊠ **B** delegation

⊠ **C** selection

⊠ **D** interviewing

The structure of *The Trafalgar* is the same as the other 24 hotels in the franchise.

- Managing Director – James Morgan

- Managers of Human Resources , Finance, Marketing and Housekeeping

- Employees

- Deputy Managers for Human Resources, Finance and Housekeeping

- Board of Directors

(b) Using the information, complete the organisational chart below.

(5)

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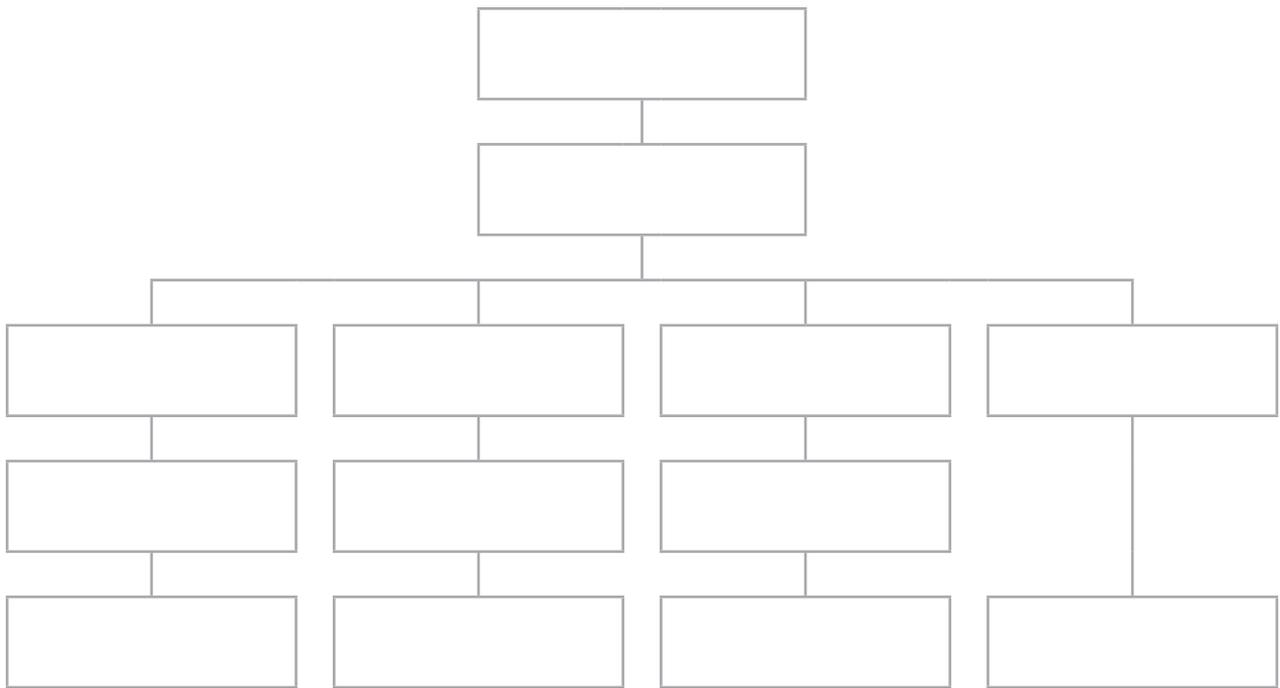
The Trafalgar has a reputation for offering quality customer service.

(c) (i) What is meant by 'quality customer service'?

(2)

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(ii) Why is it important for *The Trafalgar* to offer a quality service to its customers?

(4)

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Hotel ratings classify hotels according to their quality. The more stars the hotels have the better they are supposed to be. For the past five years, *The Trafalgar* has had a 4* rating, with 5* being the best rating.

(d) Analyse why James will want to keep this 4* rating.

(4)

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(Total for Question 1 = 20 marks)

2 James has been a franchisee for the past 10 years.

(a) Discuss **two** advantages of being a franchisor.

(4)

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(b) Discuss **two** disadvantages of being a franchisee.

(4)

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2 ....

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Every time a guest stays at a *Blue16* hotel, they are asked to complete a questionnaire when they leave.

Questionnaire and feedback form

We would be very grateful if you could answer the following.

By asking our customers for feedback, we are able to monitor the standards of our hotels and ensure that our staff are meeting the needs of you, our customers.

The questionnaire is designed to be anonymous so we are unable to respond to any comments that you make.

Should you have an issue that you require a reply to please email or write to our Customer Services Department.

Reception

Q: On arrival at the hotel, were you checked-in in a pleasant manner?   Yes ☐   No ☐

Q: Were the reception staff helpful at this point?   Yes ☐   No ☐

Q: Was your room clean when you arrived?   Yes ☐   No ☐

Q: Were all the bathroom facilities satisfactory?   Yes ☐   No ☐

Food

Q: In general, was the quality of the food good?   Yes ☐   No ☐

Q: How would you rate your breakfast?   1 ☐   2 ☐   3 ☐   4 ☐
1 = excellent. 4 = poor.

Q: How would you rate your dinner?   1 ☐   2 ☐   3 ☐   4 ☐
1 = excellent. 4 = poor.

Facilities

Q: Did you use any of the other hotel facilities?   Yes ☐   No ☐

Q: If yes, did they meet your requirements?   Yes ☐   No ☐

Q: Were there enough facilities for your stay?   Yes ☐   No ☐

General

Q: Would you use this hotel again?   Yes ☐   No ☐

Thank you for taking time out of your busy day to help us improve our hotels.

(c) Analyse how *Blue16* will make use of the information from the completed questionnaires.

(6)

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Hotels have to change to meet new conditions. Some of these changes were to comply with the Equality Act (formally the Disability Discrimination Act).

(d) (i) State **two** aims of the Equality Act in relation to disability.

(2)

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(ii) Discuss how a hotel would comply with this legislation.

(4)

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(Total for Question 2 = 20 marks)

3 Every year James has to prepare final accounts for *The Trafalgar*. An extract from his Trading and Profit and Loss Account is shown below.

	2015	**2014**
	£	**£**
Sales revenue	2 035 900	2 144 100
Cost of sales	487 180	471 702
Gross profit	1 548 720	1 672 398
Expenses/overheads	1 099 592	1 120 507

(a) (i) Calculate the net profit ratio for both years.

(2)

2015

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2014

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(ii) Using the above information and your calculations, assess the performance of *The Trafalgar* in 2014 and 2015.

(6)

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The marketing mix is often referred to as the 4Ps, price, product, place and promotion.

(b) Discuss why it is important for *The Trafalgar* to charge its guests the right price for their rooms.

(6)

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There are many factors that will influence *Blue16* when locating its hotels.

(c) (i) Identify **two** factors, other than being near airports and towns, that may influence *Blue16* when deciding where to build its hotels.

(2)

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(ii) Why do you think that *Blue16* has its hotels near airports, towns and city centres?

(4)

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(Total for Question 3 = 20 marks)

TOTAL FOR SECTION A = 60 MARKS

SECTION B

4 James recently held a management meeting.

> **Agenda**
>
> 1 Apologies for absence
>
> 2 Minutes of last meeting
>
> 3 Matters arising from the minutes
>
> 4 Diseconomies of scale
>
> 5 Advertising
>
> 6 Any other business

(a) (i) What is meant by 'diseconomies of scale'?

(2)

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(ii) Explain how economies of scale can help *Blue16*.

(4)

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Blue16 is concerned that people are not always aware of its 25 hotels. It decided to start a new advertising campaign. It is considering the following two types of advertising:

Type A – Persuasive advertising

or

Type B – Informative advertising.

Select **one** type that *Blue16* could use.

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(b) Discuss why you have selected this type of advertising.

(8)

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From time to time, James advertises *The Trafalgar* at his own cost.

(c) Analyse **two** suitable sources that James could use to finance this advertising.

(6)

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(Total for Question 4 = 20 marks)

5 After 10 years as a franchisee, James now wants to start and run his own hotel. He knows hotels are labour-intensive.

(a) Explain why hotels are labour-intensive.

(5)

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James has people who have agreed to join him in setting up his new hotel.

(b) Advise James on the most appropriate form of ownership for this business.

(5)

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James knows that some of the staff they will employ will require training as they have never worked in the hotel industry.

James is considering these training options:

Option 1 – provide in-house training for all staff

Option 2 – all staff to be trained off site by an external organisation.

(c) Select **one** of these options.

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Justify why you have selected this option and rejected the other.

(10)

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(Total for Question 5 = 20 marks)

TOTAL FOR SECTION B = 40 MARKS
TOTAL FOR PAPER = 100 MARKS

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