

Surname	Centre Number	Candidate Number
Other Names		2



GCE AS – NEW

B510U10-1



S17-B510U10-1



BUSINESS – AS component 1
Business Opportunities

THURSDAY, 18 MAY 2017 – AFTERNOON

1 hour

For Examiner's use only		
Question	Maximum Mark	Mark Awarded
1.	10	
2.	8	
3.	18	
4.	14	
Total	50	

ADDITIONAL MATERIALS

A calculator.

INSTRUCTIONS TO CANDIDATES

Use black ink or black ball-point pen.

Write your name, centre number and candidate number in the spaces at the top of this page.

Write your answers in the spaces provided in this booklet.

If you run out of space, use the continuation page at the back of the booklet, taking care to number the question(s) correctly.

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.

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

1. Andrew Wheaton has a small dairy farm which his family has been farming in Yorkshire for many years. The farm consists of a number of fields, barns and some woodland.



Business is very difficult at the moment as the cost of producing a litre of milk is now higher than its selling price. Andrew sells most of his milk to a large supermarket at a loss and he feels that the government should do more to help farmers. Andrew is concerned about the impact on the **stakeholders** if the business were to fail.

Andrew has decided to invest in new technology as this should reduce his production costs. He is considering a number of **sources of finance** in order to proceed with the investment.

- (a) Suggest **two** appropriate *sources of finance* and outline why they might be suitable for Andrew's business. [4]

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3. Lotus Enterprises Ltd manufactures a range of garden ornaments including gnomes. The business sells 40 000 gnomes a year at £10 each. Its costs for the year are as follows:

- Equipment hire: £14 000 per year
- Advertising: £5 000 per year
- Market research: £15 000 per year
- Rent and rates: £50 000 per year
- Labour: £1 per gnome
- Raw materials: £3 per gnome



(a) Calculate sales revenue if all gnomes are sold. [1]

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(b) Calculate the contribution made per gnome. [2]

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(c) Calculate break-even output. [3]

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(d) Calculate the profit made if all gnomes are sold. [4]

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4. The UK is regarded as the world leader in **social enterprise** with social entrepreneurs operating in an incredibly wide range of activities, from healthcare to renewable energy.

One such small, well-established social enterprise is Local Wheels. Their main aim is to serve their local community by delivering ready-prepared meals to the elderly in their own homes.

Social enterprises are one part of the **private sector** but many of society's needs are also provided for by the **public sector**.

- (a) Describe what is meant by the *public sector*. [2]

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- (b) With reference to Local Wheels describe the key features of a *social enterprise*. [4]

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- (c) Discuss the view that the *public sector* plays a far more important role in meeting the needs of society than the *private sector*. [8]

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