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Write your name here

Surname	Other names

Pearson Edexcel
International
Advanced Level

Centre Number | | | | | |

Candidate Number | | | | |

Business Studies

Advanced Subsidiary
Unit 1: Developing New Business Ideas

Wednesday 8 January 2014 – Afternoon
Time: 1 hour 15 minutes

Paper Reference
6BSA1/01

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.
- Answer **all** questions in Section A and Section B.
- Answer the questions in the spaces provided
  – *there may be more space than you need.*
- You may use a calculator.

Information

- The total mark for this paper is 70.
- The marks for **each** question are shown in brackets
  – *use this as a guide as to how much time to spend on each question.*
- Quality of written communication will be taken into account in the marking of your response to Question 13 in Section B. These questions are indicated with an **asterisk** (*)
  – *you should take particular care on these questions with your spelling, punctuation and grammar, as well as the clarity of expression.*

Advice

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

Turn over ▶

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P 4 3 1 8 6 A 0 1 1 6

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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 (a) In January 2012, the UK Government tried to encourage banks to increase lending to small businesses.

Which **one** of the following is **true** about bank loans given to small businesses? They are

(1)

A often secured against assets

B an internal method of finance

C usually short term compared to overdrafts

D a form of trade credit

Answer ☐

(b) Explain your answer.

(3)

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(Total for Question 1 = 4 marks)

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2 (a) James Dyson made 5,126 prototypes when designing his first bagless vacuum cleaner; all of them turned out to be failures.

This fact **best** demonstrates James Dyson's

(1)

A ethical stance

B risk-taking

C initiative

D resilience

Answer ☐

(b) Explain your answer.

(3)

(Total for Question 2 = 4 marks)

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3 (a) In March 2012 the average price of petrol in the UK increased by 8p per litre, which resulted in higher inflation.

This increase in the price of petrol may have had a significant impact on UK businesses, because

(1)

A demand for all goods and services fell

B workers demanded lower wage increases

C cost of supplies increased

D petrol prices in February were higher than in March

Answer ☐

(b) Explain your answer.

(3)

(Total for Question 3 = 4 marks)

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4 (a) The Game Group announced the closure of 277 retail stores in March 2012, which led to 2,104 job losses.

This was **most likely** due to

(1)

A a decrease in the price of computer games purchased online

B lower opportunity costs for the Game Group

C a lower break-even revenue level for computer consoles

D an increase in debentures

Answer ☐

(b) Explain your answer.

(3)

(Total for Question 4 = 4 marks)

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5 (a) Look at the receipts below.

In October 2012 the exchange rate was £1 = €1.23.





Calculate the combined price in sterling of these receipts.

(1)

A £44.40

B £36.10

C £29.35

D £20.40

Answer ☐

(b) Explain your answer (show your workings).

(3)

(Total for Question 5 = 4 marks)

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6 (a) On 8 August 2011, the Adidas retail store in Birmingham was attacked by rioters. The store was set on fire.

Which **one** of the following leadership styles might have been **most appropriate** for the store manager to use at the time?

(1)

A Democratic

B Autocratic

C Laissez-faire

D Theory Y

Answer ☐

(b) Explain your answer.

(3)

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(Total for Question 6 = 4 marks)

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7 (a) At the Sutton Vintage Trade Fair, held on 1 April 2012, Rebecca Burroughs managed to break-even by selling 40 items of costume jewellery she had made that week.

Assuming fixed costs of £60, and an average selling price of £9, which **one** of the following represents Rebecca's variable cost per unit?

(1)

A £0.66

B £1.50

C £6.66

D £7.50

Answer ☐

(b) Explain your answer (show your workings).

(3)

(Total for Question 7 = 4 marks)

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8 (a) Sharon Kelly runs Avalon Rescue, a Nottingham based re-homing centre for guinea pigs, as an unpaid volunteer.

Sharon is **most likely** to be motivated by which **one** of the following reasons?

(1)

A Adding value

B An ethical stance

C Maximising profits

D A paternalistic leader

Answer ☐

(b) Explain your answer.

(3)

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(Total for Question 8 = 4 marks)

TOTAL FOR SECTION A = 32 MARKS

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SECTION B

Answer ALL the questions in this section.

You are advised to spend 45 minutes on this section.

Evidence A

One city – two tales

Take a train to London Euston, wander through the Georgian streets close by and soon you might discover two very different enterprises.

African Kitchen



The African Kitchen in Drummond Street is an intimate and cosy value for money restaurant which provides dining for up to 24 customers. It was established in 2003 by friends Antonio and Akim.

Antonio, originally from Cadiz in Spain, manages the business and provides the customer service required, from welcoming clients, arranging bookings, serving, to taking payments. Antonio used to work for many years as the chief host and waiter at the prestigious Savoy hotel. Antonio used to serve a number of celebrities including members of the royal family; this probably explains Antonio's professionalism and attention to finer detail.

Akim is the cook who, given his Nigerian origin, prepares a range of African and Caribbean dishes such as spicy plantation beef, hot jerk chicken, curried goat, ackee and saltfish. Akim is very keen to cater for special dietary requirements, ensuring that all products are gluten and dairy free and have no artificial flavourings or preservatives.

African Kitchen is more than just a restaurant because it sells a range of traditional African sculptures, textiles and jewellery which complement the exotic and tropical atmosphere. Furthermore, Time Out London magazine recommends that the best time to visit African Kitchen is during the summer; if you sit at one of the tables in the outdoor patio section of the restaurant it is the perfect spot to enjoy one of Antonio's freshly made ginger beers or mango juices.

The Charles Dickens Museum



Close to London's Holborn station, you will discover the Charles Dickens Museum at 48 Doughty Street. This is where Victorian novelist Dickens lived from 1837 until 1839. Two of his daughters were born here and his best-loved books were written here, including Oliver Twist and Nicholas Nickleby.

In 1923, long after the Dickens family moved, the house was threatened with demolition, so the Dickens Fellowship acquired it. The Museum became a registered charity, which opened in 1925 and has become the world's finest Dickens-related collection.

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The Museum is very popular with a range of visitors from school parties, young couples, to those who have retired. Entrance fees range from free to those under 10 years old, £3 for pensioners and students and £7 for other adults. The Museum provides a small café and a cinema which shows a 30 minute movie on the life of the great writer. Tour guides also provide, for a small fee, a tour of nearby places of historical interest. 40

(Source: adapted from www.google.co.uk/images/charlesdickens)

9 Analyse why **each** enterprise is adding value.

(Total for Question 9 = 6 marks)

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10 Explain how the principle of opportunity cost applies to Antonio, one of the owners of African Kitchen.

(Total for Question 10 = 4 marks)

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11 Assess the likely value of market mapping to African Kitchen.

(Total for Question 11 = 8 marks)

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12 Evaluate whether the Charles Dickens Museum should aim to make a profit.

(Total for Question 12 = 8 marks)

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***13** Assess whether an increase in interest rates might have an impact on:

(a) the owners of African Kitchen

(6)

QUESTION 13 CONTINUES ON NEXT PAGE

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(b) visitors to the Charles Dickens Museum.

(6)

(Total for Question 13 = 12 marks)

TOTAL FOR SECTION B = 38 MARKS
TOTAL FOR PAPER = 70 MARKS