OXFORD

INTERNATIONAL
AQA EXAMINATIONS

Please write clearly in block capitals.

Centre number | | | | | | Candidate number | | | | |

Surname _____

Forename(s) _____

Candidate signature _____

I declare this is my own work.

INTERNATIONAL AS
BUSINESS

Unit 1: Business and Markets

Friday 8 January 2021 07:00 GMT Time allowed: 1 hour 30 minutes

Materials

For this paper you must have:
- a calculator, which you are expected to use where appropriate.

Instructions
- Use black ink or black ball-point pen.
- Fill in the boxes at the top of the page.
- Answer **all** questions.
- You must answer the questions in the spaces provided.
  Do not write outside the box around each page or on blank pages.
- If you need extra space for your answer(s), use the lined pages at the end of this book. Write the question number against your answer(s).
- All working must be shown.
- Do all rough work in this book. Cross through any work you do not want to be marked.
- You may **not** use an English dictionary.

Information
- The marks for questions are shown in brackets.
- The maximum mark for this paper is 80.

Advice
- You may use a bilingual dictionary.

For Examiner's Use	
Question	Mark
1	
2	
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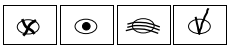
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Section A

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

Only **one** answer per question is allowed.

For each question completely fill in the circle alongside the appropriate answer.

CORRECT METHOD  WRONG METHODS 

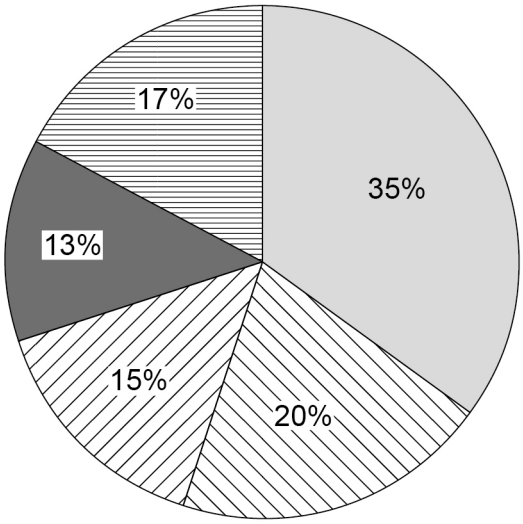
If you want to change your answer you must cross out your original answer as shown. 

If you wish to return to an answer previously crossed out, ring the answer you now wish to select as shown. 

0 1 Look at **Figure 1**.
What is the three firm concentration ratio in this market?

Figure 1

Market share of companies in the market



[1 mark]

A 35% ⬭

B 55% ⬭

C 70% ⬭

D 72% ⬭

1

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0 2 Which of the following statements is true?

[1 mark]

A A private sector organisation is run by the government ⬭

B A sole trader has limited liability ⬭

C Shareholders of a public limited company have limited liability ⬭

D Shareholders of a private limited company have unlimited liability ⬭

1

0 3 Which of the following is an advantage of operating in a niche market?

[1 mark]

A Ability to charge premium prices ⬭

B Customers do not have specific needs ⬭

C High levels of competition ⬭

D High volume of production ⬭

1

0 4 In 2019, 3 million smart phones were sold in a country. In 2020, this had increased to 3.6 million smart phones. Calculate the market growth rate between 2019 and 2020.

[2 marks]

Answer: _____

2

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0 5 A government encourages start-up businesses.

Explain **one** reason why a government will benefit from start-up businesses.

[3 marks]

3

0 6 Explain **one** benefit of sales forecasting to a supermarket.

[3 marks]

3

0 7 Explain **one** advantage to a business of using market mapping when entering a new market.

[3 marks]

3

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0 8 A business based in the United States of America exports many products to China.

Explain **one** impact on the business if the US Dollar strengthens against the Chinese Yuan.

[3 marks]

3

Turn over for the next section

Do not write outside the box

Section B

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

0 9 An entrepreneur operates as a private limited company.

Analyse **two** reasons why an entrepreneur would choose to do this.

[9 marks]

Extra space

9

Do not write outside the box

1 0 Analyse **one** advantage and **one** disadvantage to a public limited company of investing in new product development.

[9 marks]

Extra space

9

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1 1 Analyse **two** ways that a growing business may benefit from producing a business plan.

[9 marks]

Extra space

9

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Turn over for the next section

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ANSWER IN THE SPACES PROVIDED

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Section C

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

1 2 A clothing business is considering expanding internationally rather than domestically.

Assess the arguments for and against and recommend a decision as to whether it should expand internationally or remain selling only in its domestic market.

[12 marks]

Do not write outside the box

Extra space

12

Turn over ►

Do not write outside the box

1 3 A luxury hotel chain wants to increase its profit.

It has decided to lower its prices.

Assess the arguments for and against this decision and make a judgement.

[12 marks]

Do not write outside the box

Extra space

12

Turn over ►

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1 4 A business selling toys is considering closing down its physical stores and operating **only** online.

Assess the arguments for and against it operating **only** online and make a judgement as to whether it should close down its physical stores.

[12 marks]

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Extra space

12

END OF QUESTIONS

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