



General Certificate of Secondary Education  
2019

Centre Number

--	--	--	--	--

Candidate Number

--	--	--	--	--

# Business Studies

Unit 2

Developing a Business



[GBU21]

\*GBU21\*

**TUESDAY 4 JUNE, AFTERNOON**

## TIME

1 hour 30 minutes.

## INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number in the spaces provided at the top of this page.

**You must answer the questions in the spaces provided.**

**Do not write outside the boxed area on each page or on blank pages.**

Complete in black ink only. **Do not write with a gel pen.**

Answer **all three** questions.

## INFORMATION FOR CANDIDATES

The total mark for this paper is 90.

Figures in brackets printed down the right-hand side of pages indicate the marks awarded to each question or part question.

Quality of written communication will be assessed in Questions **1(f)**, and **2(g)**.



Answer **all** questions

1

Toyland is owned by Tony and is a very large toy shop selling the full range of toys to children of all ages.

- (a) When recruiting new members of staff, Toyland uses a Person Specification. Explain **one** purpose of this document.

---

---

---

---

---

---

---

[2]



(b) Explain **two** roles of the Equality Commission for Northern Ireland in relation to recruitment which Tony must be aware of.

1. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[4]

[Turn over



(c) Discuss **two** roles of Social Media in the recruitment of employees in Toyland.

1. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ [4]



(d) Explain the legal controls on recruitment in Toyland affecting the following:

Gender \_\_\_\_\_

---

---

---

---

---

---

Disability \_\_\_\_\_

---

---

---

---

---

---

Marital Status \_\_\_\_\_

---

---

---

---

---

---

[6]

[Turn over







2

Another smaller toy shop, Play Things, in the same town is showing signs of failure and is closing down. Toyland has decided to take over Play Things.

(a) Identify **three** signs of failure which may be found in Play Things.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_ [3]

(b) A takeover is a form of external growth. Explain the term "takeover".

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ [2]





(d) Discuss **three** factors which could limit Toyland's growth.

Factor 1

---

---

---

---

---

---

Factor 2

---

---

---

---

---

---

Factor 3

---

---

---

---

---

---

[6]



(e) Apart from economies of scale, analyse **one** possible advantage of growth for Toyland.

---

---

---

---

---

---

---

---

---

---

[3]

(f) Explain the meaning of the term “economies of scale”.

---

---

---

---

---

---

---

---

[2]

[Turn over



(g) Explain the following **four** types of economies of scale.

Technical

---

---

---

---

---

---

---

Financial

---

---

---

---

---

---

---

Marketing

---

---

---

---

---

---

---





# Purchasing

---

---

---

---

---

---

---

[8]

[Turn over



3

Tony has to raise additional finance in order to take over Play Things.  
He is uncertain whether to use internal sources of finance or external sources.

(a) (i) Explain **one** advantage of using internal sources of finance and identify **two** internal sources.

---

---

---

---

---

---

---

---

[4]

(ii) Explain **one** advantage of using external sources of finance and identify **two** external sources.

---

---

---

---

---

---

---

---

[4]





**BLANK PAGE**

**DO NOT WRITE ON THIS PAGE**

**(Questions continue overleaf)**

**[Turn over**



At the end of the year the accountant in Toyland produced the following Statement of Financial Position. Some amounts are missing.

**STATEMENT OF FINANCIAL POSITION OF TOYLAND  
AS AT 31 DECEMBER, 2018**

	£
<b>NON-CURRENT ASSETS</b>	
Premises	100000
Fixtures and Fittings	
Delivery Van	12000
<b>TOTAL NON-CURRENT ASSETS</b>	<b>127000</b>
<b>CURRENT ASSETS</b>	
Cash in Hand	1020
Bank Balance	50500
Closing Inventory	3750
Trade Receivables	1750
<b>TOTAL CURRENT ASSETS</b>	
<b>TOTAL ASSETS</b>	<b>184020</b>
<b>EQUITY</b>	
Capital	
Add Net Profit	45750
	145750
Less Drawings	12000
<b>TOTAL EQUITY</b>	
<b>NON-CURRENT LIABILITIES</b>	
Loan	30000
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>30000</b>
<b>CURRENT LIABILITIES</b>	
Trade Payables	
<b>TOTAL CURRENT LIABILITIES</b>	<b>20270</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	



(b) Complete the Statement of Financial Position showing the figures for the following:

Fixtures and Fittings	_____	[1]
Total Current Assets	_____	[1]
Capital	_____	[1]
Total Equity	_____	[1]
Trade Payables	_____	[1]
Total Equity and Liabilities	_____	[1]

(c) Explain **one** reason why it is important for Tony to prepare a Statement of Financial Position.

---

---

---

---

---

---

---

---

---

---

[2]

[Turn over







---

**THIS IS THE END OF THE QUESTION PAPER**

---

**DO NOT WRITE ON THIS PAGE**

For Examiner's use only	
Question Number	Marks
1	
2	
3	

<b>Total Marks</b>	
--------------------	--

Examiner Number

Permission to reproduce all copyright material has been applied for.  
In some cases, efforts to contact copyright holders may have been unsuccessful and CCEA will be happy to rectify any omissions of acknowledgement in future if notified.

11915/7



\*20GBU2120\*