



General Certificate of Secondary Education
2022

Centre Number

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Candidate Number

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Business Studies

Unit 2

Developing a Business



[GBU21]

GBU21

THURSDAY 9 JUNE, MORNING

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(b)**.



Answer **all** questions

1

“Fitness for All” is a fitness centre which is owned and managed by Grace. The centre has a large membership of men and women from all age groups. Grace employs ten full-time and four part-time staff.

- (a) Grace is hoping to employ an Assistant Manager and is going to write a Job Description for the post. Explain **one** purpose of a Job Description.

[2]



(b) Explain **one** legal control that governs race and **one** legal control that governs religion which Grace must observe when recruiting an Assistant Manager.

Race _____

Religion _____

_____ [4]

[Turn over



(c) Grace prefers to recruit the Assistant Manager internally. Discuss **three** advantages of Internal Recruitment for Fitness for All.

1. _____

2. _____

3. _____

[6]



(d) Discuss the following responsibilities which both Grace and the prospective Assistant Manager have in the selection process.

Honesty _____

Fairness _____

Confidentiality _____

[6]

[Turn over



(e) Explain the following reasons for staff training in Fitness for All.

Induction _____

Change in procedures _____

To become more competitive _____

[6]



(f) Grace knows that motivation of her staff is important. Explain **three** reasons why staff motivation is important in Fitness for All.

1. _____

2. _____

3. _____

[6]

[Turn over



2

Fitness for All is so successful that Grace hopes that it will grow further.

(a) Identify **two** signs of success you would expect to find in Fitness for All.

1. _____

2. _____

_____ [2]

(b) Discuss **three** factors that could limit the growth of Fitness for All.

1. _____

2. _____





3. _____

_____ [6]

(c) Analyse **two** advantages of growth in Fitness for All.

1. _____

2. _____

_____ [4]



(d) Analyse **two** disadvantages of growth in Fitness for All.

1. _____

2. _____

[4]



Grace believes that external growth is the best type of growth for Fitness for All and is considering franchising her business and advertising for franchisees.

(f) Explain the meaning of external growth.

[2]

(g) Describe **two** advantages and **two** disadvantages of franchising for Grace's business.

Advantage _____

Advantage _____





Disadvantage _____

Disadvantage _____

[8]

[Turn over



3

Grace is going to purchase additional expensive equipment for Fitness for All. She is considering using either hire purchase or leasing.

- (a) Explain **one** advantage and **one** disadvantage for Grace of buying the equipment using hire purchase.

Advantage _____

Disadvantage _____

_____ [4]



(b) Explain **one** advantage and **one** disadvantage for Grace of leasing the equipment.

Advantage _____

Disadvantage _____

_____ [4]

(c) Identify which of the above two methods is the more appropriate for Grace to use.

Chosen method _____
Reason _____
_____ [2]

[Turn over



(d) Explain **one** reason why each of the following financial statements is important to a business such as Fitness for All.

Income Statement _____

Statement of Financial Position _____

[4]



The following Income Statement has been prepared for Fitness for All.

INCOME STATEMENT FOR FITNESS FOR ALL
FOR THE YEAR ENDED 31 DECEMBER 2021

	£
Sales Revenue	165 000
LESS Cost of Sales	
Opening Inventory	54 000
ADD Purchases	
	144 000
LESS Closing Inventory	
Cost of Sales	121 500
Gross Profit	
LESS Expenses	18 750
Net Profit	

(e) Complete the Income Statement to show the figures for the following:

Purchases _____ [1]

Closing Inventory _____ [1]

Gross Profit _____ [1]

Net Profit _____ [1]

[Turn over



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Question Number	Marks
1	
2	
3	

Total Marks	
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Examiner Number

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