



Oxford Cambridge and RSA

**Friday 20 May 2022 – Afternoon**

**GCSE (9–1) Business**

**J204/01 Business 1: business activity, marketing and people**

**Time allowed: 1 hour 30 minutes**



**You can use:**

- a calculator



Please write clearly in black ink. **Do not write in the barcodes.**

Centre number

--	--	--	--	--

Candidate number

--	--	--	--

First name(s) \_\_\_\_\_

Last name \_\_\_\_\_

### INSTRUCTIONS

- Use black ink.
- Write your answer to each question in the space provided. You can use extra paper if you need to, but you must clearly show your candidate number, the centre number and the question numbers.
- Answer **all** the questions.

### INFORMATION

- The total mark for this paper is **80**.
- The marks for each question are shown in brackets [ ].
- Quality of extended response will be assessed in questions marked with an asterisk (\*).
- This document has **20** pages.

### ADVICE

- Read each question carefully before you start your answer.

## SECTION A

Answer **all** the questions.

1 A contract of employment is:

- A a diagram showing the formal lines of authority in a business
- B a formal document outlining the objectives of a business
- C a law that makes discrimination in the workplace illegal
- D a legal agreement between an employer and an employee

Your answer

[1]

2 Sam works as a human resources assistant for a large supermarket chain.

What would be part of Sam's job role?

- A Asking customers how their local store could be improved
- B Giving out free samples of a new range of fruit pies
- C Identifying the training needs of shop assistants
- D Reducing the price of vegetables reaching their sell-by date

Your answer

[1]

3 An entrepreneur is thinking of opening a restaurant in their local area.

What is an example of qualitative market research data they could use?

- A The number of adults who live and work in the local area
- B The percentage of the population who eat out once a week
- C The preferences of local residents when eating out
- D The prices charged by local competitors

Your answer

[1]

4 What is a disadvantage for a business of using digital communication?

- A It is a slow method of communication
- B Pictures and videos cannot be shared
- C The technology on which it relies can fail
- D Worldwide communication is not possible

Your answer

[1]

5 A furniture manufacturer's marketing mix identifies:

- A how to reduce risk when selling its furniture online
- B the distribution channels for its tables and chairs
- C the quantity of wood and materials to reorder
- D which model of gaming chair customers prefer

Your answer

[1]

6 The directors of a public limited company have decided to reduce the size of the workforce to increase profits.

Which stakeholder is **most** likely to benefit from this decision?

- A Customers
- B Employees
- C Owners
- D The local community

Your answer

[1]

- 7 A business requires job applicants to submit a CV rather than an application form.

Which of the following is an advantage for the business of requiring a CV?

- A Applicants are less likely to leave out essential information
- B Applicants can explain why they are suitable for the job
- C It requires the applicant to provide the names of two referees
- D It shows an applicant's ability to organise relevant information

Your answer

[1]

- 8 A store sells a range of alcoholic and non-alcoholic drinks. Nina, the owner of the store, is trying to decide whether to stock a new range of non-alcoholic herbal drinks.

Which type of market research activity would help Nina make this decision?

- A Analysing data in the most recent census
- B Reading articles in specialist fine wine magazines
- C Studying the sales data for the store's best-selling alcoholic drink
- D Trialling the new drinks in the store and monitoring sales

Your answer

[1]

- 9 Alex, a sole trader, opened a hair salon three years ago. He has recently changed the main objective of the business from 'profit' to 'survival'.

What would explain this change of objective?

- A The hair salon has already achieved its profit objective
- B The hair salon has gained a lot of new customers
- C The hair salon is experiencing intense competition
- D The hair salon is now an established business

Your answer

[1]

10 An NHS hospital is concerned about the quality of its business communication.

The quality of business communication is particularly important for the hospital because:

- A all of its communication is external
- B all of its employees have academic qualifications
- C it cannot afford to lose customers
- D it deals with lots of confidential information

Your answer

[1]

11 A brewery wishes to start selling its beers directly to the public via the Internet. It has been unable to launch its own website due to a skills gap.

Which of the following actions would help to solve this problem?

- A Employ more workers to increase the brewery's output of beer
- B Provide training to improve the staff's product knowledge of the beers
- C Purchase more computers and install the latest marketing software
- D Recruit an IT specialist with experience in online trading

Your answer

[1]

12 An interview is an example of:

- A a primary market research method
- B a recruitment method
- C a training method
- D an informal communication method

Your answer

[1]

- 13 A business has introduced a bonus scheme, based on production targets, to help motivate its staff.

Which of the following statements would **not** be true?

- A The bonus scheme is a form of performance-related pay
- B The bonus scheme will increase business costs
- C Unrealistic targets may lead to lower levels of motivation
- D Workers who do not reach the target will have their basic pay reduced

Your answer

[1]

- 14 The owner of a toy shop wishes to use market segmentation to target customers.

What is an example of market segmentation?

- A Encouraging customers into the shop by posting on social media
- B Opening a second toy shop in the same town
- C Organising the toys in the shop by age group
- D Viewing a rival store's website to identify its special offers

Your answer

[1]

- 15 A mobile phone repairer, trading as Sundip & Sons, operates as a partnership. Its three partners have produced a business plan outlining their intentions to widen the services offered to include laptop and tablet repairs.

For which of the following might Sundip & Sons' business plan be useful?

- A Calculating the share of the profit due to each of the three partners
- B Complying with current legislation relating to business planning
- C Identifying the resources needed to expand into the new market
- D Obtaining additional finance from shareholders

Your answer

[1]

**SECTION B**

Answer **all** the questions.

16

**Text 1**

**Dyson**

Disappointed with the performance of vacuum cleaners on the market, James Dyson thought he could design a better product. He started to create his first vacuum cleaner in the late-1970s. In 1984, after trying thousands of designs over several years, James Dyson launched a bagless vacuum cleaner in partnership with Amway, a US consumer goods manufacturer. This partnership did not work out, so James Dyson formed his own company in 1991.

Today, Dyson Ltd produces a range of home appliances including vacuum cleaners, hand dryers, heaters, hair dryers and lights. Creating new and innovative products continues to be important for the company, as seen by its expanding product range. The company has over 12 000 employees worldwide. Dyson Ltd has a unique organisational structure.

All new employees of Dyson Ltd go through an induction training programme. In addition, the company encourages employees to progress by offering apprenticeships and other staff development opportunities. James Dyson promotes careers in engineering, both in schools and in universities.

(a) Explain **one** reason why businesses have different organisational structures.

.....

.....

.....

..... [2]







Text 2

Heinz

Link to material: <https://www.marketing91.com/marketing-mix-heinz>. Item removed due to third party copyright restrictions

(a) State **two** purposes of market research.

1 .....

2 .....

[2]

(b) Explain **three** reasons why employee motivation is important for Heinz.

1 .....

.....

.....

.....

2 .....

.....

.....

.....

3 .....

.....

.....

.....

[6]





## Text 3

## Shinz Ltd

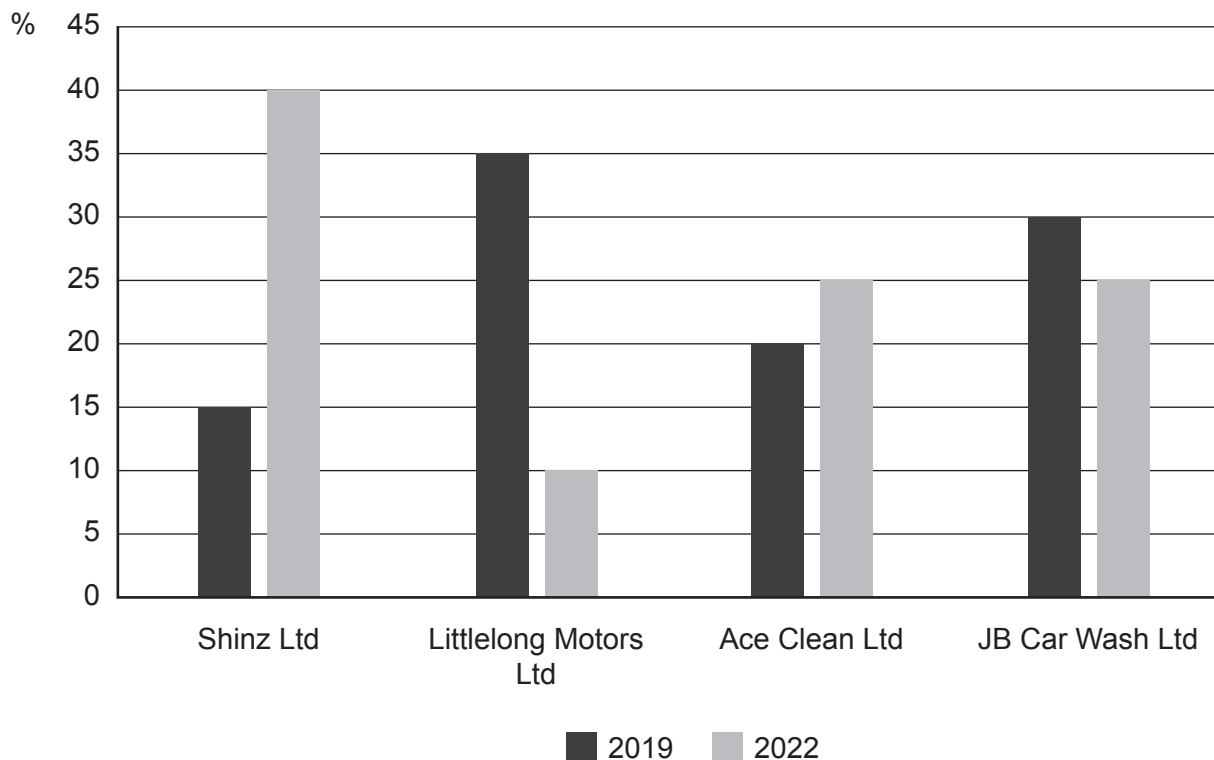
Five years ago, brothers Tom and Amir set up a car washing business called Shinz Ltd in the town of Littlelong. The business has been very successful and currently offers 'economy', 'gloss' and 'high-gloss' washing services. Tom is responsible for the administration, finance and marketing functions. Amir is responsible for the car washing operations and supervises two full-time employees. The prices Shinz Ltd charges are not low when compared to its competitors. Customer service is a priority for the business.

Tom and Amir are keen to expand the business and are planning to launch a new 'resin polish' service, to protect car paintwork during the cold winter months. Many of Shinz Ltd's customers have requested this service. 'Resin polish' is not currently available in Littlelong but is offered by a business in another town five miles away. Tom is considering whether to use competitor pricing or price skimming for this new service.

Littlelong Motors Ltd is a used car retailer. The business has three owners. They have suggested a merger with Shinz Ltd. Littlelong Motors Ltd offers a basic car washing service in addition to its car sales. It prides itself on offering the lowest prices in the town. 26% of Littlelong Motors Ltd's customers are 'extremely satisfied' with the car washing service provided. This compares to 68% of Shinz Ltd's customers saying they are 'extremely satisfied'.

The car washing market in Littlelong is valued at £460 000 per year. The chart below shows the market share of the four car washing businesses located in the town.

Car washing businesses in Littlelong





(c) Tom is considering whether to use competitor pricing or price skimming for the new 'resin polish' service.

(i) Analyse **one** advantage for Shinz Ltd of using each pricing method.

Competitor pricing

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Price skimming

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

[6]







18  
BLANK PAGE

PLEASE DO NOT WRITE ON THIS PAGE

**19**  
**BLANK PAGE**

**PLEASE DO NOT WRITE ON THIS PAGE**

**PLEASE DO NOT WRITE ON THIS PAGE**

---

**OCR**  
Oxford Cambridge and RSA

**Copyright Information**

OCR is committed to seeking permission to reproduce all third-party content that it uses in its assessment materials. OCR has attempted to identify and contact all copyright holders whose work is used in this paper. To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced in the OCR Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download from our public website ([www.ocr.org.uk](http://www.ocr.org.uk)) after the live examination series.

If OCR has unwittingly failed to correctly acknowledge or clear any third-party content in this assessment material, OCR will be happy to correct its mistake at the earliest possible opportunity.

For queries or further information please contact The OCR Copyright Team, The Triangle Building, Shaftesbury Road, Cambridge CB2 8EA.

OCR is part of Cambridge University Press & Assessment, which is itself a department of the University of Cambridge.

© OCR 2022