

Name:

# GCSE Business

## Final Countdown

*(8 lessons to go)*

### Paper 1

18th May 2023

(PM)

## Unit 2: Influences on business

### Lesson 1: Fast 5

1. How can ICT benefit a business?
2. State one benefit of using fair trade suppliers
3. Explain how legislation protects consumers
4. How can unemployment affect a growing business?
5. What is an interest rate?

### Lesson 2: Fast 5

1. State one benefit to a business of having an intranet
2. Explain one way a business can be ethical with its marketing
3. What is digital communication?
4. What is an exchange rate?
5. How can globalisation be a drawback for a business?

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## Unit 2 Content - Self evaluation

<b>2.1 Technology</b>		Know?
1.	To understand the impact of the <b>changing use of ICT</b> and how it influences business activity.	
2.	To understand how <b>e-commerce</b> provides access to wider markets.	
3.	To understand how <b>digital communication</b> changes the way businesses communicate with stakeholders.	
<b>2.2 Ethical and environmental</b>		Know?
4.	To identify and analyse where there may be a possible <b>trade-off between ethics and profit.</b>	
5.	To understand the benefits and drawbacks of <b>ethical behaviour</b>	
6.	To understand how businesses and consumers accept greater <b>environmental responsibility</b> in their decision-making and the costs and benefits of businesses behaving this way.	
7.	To identify and analyse where there may be a possible <b>trade-off between sustainability and profit.</b>	
<b>2.3 Economic climate</b>		Know?
8.	To demonstrate and understand how businesses might be affected by <b>changes in the rate of interest.</b>	
9.	To understand how fluctuating interest rates can affect <b>consumer and business spending.</b>	
10.	To identify how and why businesses might be affected by changes in <b>levels of employment.</b>	
11.	To understand how <b>demand for products and services may change</b> as incomes fluctuate.	
<b>2.4 Globalisation</b>		Know?
12.	To understand what is meant by <b>globalisation.</b>	
13.	To understand the methods UK businesses use to <b>compete internationally.</b>	
14.	To analyse the benefits and drawbacks of <b>globalisation</b> for UK businesses.	
15.	To understand the impact of <b>exchange rates</b> on the profit and sales of those businesses that <b>import and/or export.</b>	
<b>2.5 Legislation</b>		Know?
16.	To assess the impact of <b>employment legislation</b> on businesses.	

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17.	To understand the consequences of <b>failing to follow legislation</b> for the business.	
18.	To assess the impact of <b>health and safety</b> and consumer legislation on businesses.	
19.	To understand the benefits of providing a <b>safe working environment</b> .	
<b>2.6 Competitive environment</b>		Know?
20.	To understand the meaning of a <b>market and competition</b> .	
21.	To analyse potential <b>impacts of competition</b> on businesses and identify situations when businesses face minimal or no competition.	
22.	To understand the <b>risks businesses face</b> and the reasons why all businesses face uncertainty.	
23.	To understand the reason why entrepreneurs embark on running businesses and the activities businesses can undertake to <b>minimise risks</b> .	

**Tricky key terms - Define the following:**

Cloud computing	
Pressure group	
Globalisation	
Legislation	
Diversification	

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### Exam questions

1. Which of the following is likely to have an effect on businesses if there is high unemployment in the economy?

<b>A</b>	Demand for products rise	<input type="radio"/>
<b>B</b>	Profits go down	<input type="radio"/>
<b>C</b>	There are fewer people available to work	<input type="radio"/>
<b>D</b>	Wages go up	<input type="radio"/>

2. Which of the following states that products must be described accurately?

<b>A</b>	Consumer Law	<input type="radio"/>
<b>B</b>	Employment Law	<input type="radio"/>
<b>C</b>	Health and Safety Law	<input type="radio"/>
<b>D</b>	Minimum Wage Law	<input type="radio"/>

3. Explain **one** way in which the pound strengthening against the US dollar might affect a UK business.

4. Explain **one** way in which greater competition may affect a business.

5. Explain **one** way that employees are protected by the law

6. Identify **two** drawbacks to a business of using responsibly sourced ingredients.

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Read **Item A** and then answer the questions that follow.

**Item A**  
**Scented candles**

Adam really wanted to start his own business as a sole trader, before he left school. With a love of arts and crafts, one of his hobbies was hand making scented candles. He realised that he could turn this hobby into a business if he could harness the power of e-commerce to open up new markets.

Adam uses a range of scents and can make candles in a huge number of different shapes, sizes and colours. He uses job production to meet every order once it has been placed by a customer.

Selling his candles through his own website proved to be very successful and he found himself so busy he was struggling to cope with his schoolwork. As more customers placed orders Adam began to consider how he could save himself time making the candles. The table below shows monthly sales for the last six months:

**Table 1 Monthly sales of candles**

	<b>December</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>
<b>Candles sold</b>	45	60	75	65	85	105

Adam is considering making several of his most popular designs in batches. This would enable him to produce a batch of 20 identical candles in little more than the time it takes to make a single candle using job production.

As his business grows, Adam is also planning to promote his candles. He is going to carry out some market research to help decide the best method of promotion to use for his candles.

7. Explain one benefit to Adam of using **e-commerce** (4)

Benefit:

Explain:

Impact on Adam and Scented Candles?

Name:

Read **Item B** and then answer the questions that follow.

**Item B**

**Charlie's paintings**

Charlie had always been good at Art and it was his best subject at school. During his 3 years at university, as well as studying, he produced and sold some paintings as a hobby. These were sold through word of mouth recommendation. Charlie prefers to paint abstract pictures but paintings of local views are more popular. (See the table below.)

<b>Charlie's paintings sold while he was a student</b>				
<b>Type of painting</b>	<b>Number produced</b>	<b>Number sold</b>	<b>Cost of materials</b>	<b>Average selling price</b>
<b>Small local views</b>	15	15	£5	£7
<b>Large local views</b>	15	3	£10	£15
<b>Large abstract</b>	15	1	£10	£50

Having just finished university, Charlie is now interested in setting up his own business. He realises that, for his business to be successful, he will need to get his prices right. He also thinks that it would be a good idea to have a website.

8. Analyse one benefit to Charlie of using a **website** (6)

1.	Benefit of using a website?
2.	Explain how this benefits Charlie
3.	What are the positive impacts of using a website for Charlie's paintings?

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Read **Item C** and then answer the questions that follow.

<p><b>Item C</b></p> <p><b>Expresso Printing Ltd</b></p> <p><i>Expresso Printing Ltd</i> is a small family business based in a unit on an industrial estate. They produce leaflets, newsletters, posters and other printed items.</p> <p><i>Expresso Printing Ltd</i> is considering buying a new computerised colour printer and taking on two new employees to help to increase sales. <i>Expresso Printing Ltd</i> is also aware that the market is becoming far more competitive. Its business customers are cutting back on their spending on advertising and <i>Expresso Printing Ltd</i> has many rivals offering similar services.</p> <p><i>Expresso Printing Ltd</i> is aware that, to remain competitive, it needs to introduce more technology into its production process by buying a new computerised colour printer. The new printer would produce high quality colour posters and leaflets more cheaply which would allow <i>Expresso Printing Ltd</i> to reduce its prices. The new printer would cost a very large sum of money and would double the amount of the loan that <i>Expresso Printing Ltd</i> has with the bank. It would, however, be cheaper to run than the company's present printer</p>
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9. Using **Item C**, advise *Expresso Printing Ltd* on whether it should purchase the machine. Give reasons for your advice. (9)

1.	Benefits of purchasing the machine?  Impact on Expresso Printing?
2.	Drawbacks of purchasing the machine?  Impact on Expresso Printing?
3.	Advise <i>Expresso Printing Ltd</i> on whether it should purchase the machine...

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