

Surname	Centre Number	Candidate Number
Other Names		0



LEVEL 1/ LEVEL 2 AWARD

9782/01



S17-9782-01

RETAIL BUSINESS UNIT 2: Retail Business

THURSDAY, 15 JUNE 2017 – MORNING

1 hour 15 minutes

For Examiner's use only		
Question	Maximum Mark	Mark Awarded
1.	20	
2.	22	
3.	18	
Total	60	

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ADDITIONAL MATERIALS

A calculator.

INSTRUCTIONS TO CANDIDATES

Use black ink or black ball-point pen.

Write your name, centre number and candidate number in the spaces at the top of this page.

Answer **all** questions.

Write your answers in the spaces provided in this booklet.

INFORMATION FOR CANDIDATES

The total for the paper is 60 marks.

The number of marks is given in brackets at the end of each question or part-question.

Answer all the questions in the spaces provided.

1. Study **Scenario 1** which gives information on retail businesses.

Scenario 1

An outdoor market has been held in the busy town of Proudham for more than 400 years. Every Saturday 50 stalls are set up in the old town square which is in the centre of the town and surrounded by shops. The stalls offer a wide variety of products such as locally made crafts, fresh fruit, fresh vegetables and clothes. The stallholders operate as either sole traders or partnerships.

The stallholders are required to pay £20 to hire a stall each Saturday.

Proudham town centre benefits from good access roads, a bus station and two public car parks.

- (a) (i) What is meant by the term partnership?

[1]

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- (ii) Explain **one** advantage and **one** disadvantage of a partnership.

[4]

Advantage:

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Disadvantage:

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Proudham's market stallholders are likely to be affected by a range of location characteristics such as:

Good access roads Car parks

- (b) (i) Explain the importance of the above **two** location characteristics to the market stallholders. [4]

- (ii) Explain **two** disadvantages to the stallholders of the market's location. [4]

The following information shows that in recent years the market has experienced a decrease in footfall. As a result the stallholders are going to hold seasonal events in the hope of attracting more customers and increasing footfall in 2018 by 12%.

Year	Footfall
2010	89,500
2017	77,250

- (c) (i) Calculate the decrease in footfall between 2010 and 2017 [1]
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-

- (ii) Calculate the footfall for 2018 if it was to increase by 12% from 2017. [2]
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-
-
-

In order to increase footfall the market stallholders have decided to hold four special events throughout the year.

- (d) (i) Suggest **two** special events which might increase footfall. [2]

1.
2.

- (ii) Explain how **one** of your suggested events might increase footfall. [2]
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-
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2. Study **Scenario 2** which gives information on a retail business.

Scenario 2

Ponsonby PLC is a public limited company. It is a UK based retailer offering a wide range of quality jewellery, watches and gifts. The business is a multi-channel retailer which owns 100 jewellery shops situated on high streets throughout the UK.

The results of a recent customer survey showed that the majority of Ponsonby PLC's customers were female and aged over 40. The results also showed the levels of income, occupations and postcodes of the customers.

Ponsonby PLC's main retail channel is its 100 shops.

- (a) Describe **two** other retail channels which Ponsonby PLC could use to sell its products.

[4]

1.

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2.

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Ponsonby PLC is a public limited company.

- (b) (i) Which **two** of the following statements are true?
Tick (\checkmark) **two** boxes only.

[2]

Description	Tick (\checkmark)
Shares can be bought and sold on the Stock Exchange	
The minimum number of owners is two	
A public limited company is owned by the government	
A public limited company is owned by shareholders	

- (ii) Explain **two** advantages to Ponsonby PLC of operating as a public limited company.

[4]

1.

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2.

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Ponsonby PLC intends to expand its business to existing and new customers.

- (c) (i) Describe ways that Ponsonby PLC's customer survey results, as given in Scenario 2, might help in expanding its business. [6]

Ponsonby PLC has also been encouraged to expand due to current positive economic factors.

- (ii) Explain how the following economic factors might affect Ponsonby PLC's expansion plans. [6]

Disposable income:

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Tax rates:

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Employment levels:

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22

3. Study **Scenario 3** which gives information on a retail business.

Scenario 3

Poppy Anderson is the owner of a small flower shop called Poppies which is located in a large town. The town has a population of nearly 50,000 and includes a university, a hospital, a college, six schools and a large engineering factory.

The unemployment rate in the town is only 1.2%.

Poppies is a well established business that has been making a small profit over the last three years. Poppy has set a financial objective to increase profits by 5% in 2018.

- (a) Identify the form of ownership for Poppies. Tick (**✓**) **one** box only. [1]

a. Co-operative

b. Sole trader

c. Public limited company

Poppy has set a financial objective to increase profits by 5% in 2018.

- (b) (i) Suggest **three** other objectives, **other than profit**, for Poppies. [3]

1.

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2.

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3.

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(ii) Explain methods Poppy might use to achieve her financial objective of increasing profits by 5%. [6]

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Poppies flower shop is located on the busy high street.

(c) Explain **two** advantages of Poppies' location as described in **Scenario 3**. [4]

1.

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2.

Poppy buys most of her flowers from Herman's Flower Suppliers. Herman's Flower Suppliers has informed Poppy that the price of flowers will increase.

- (d) Explain how this increase in price might affect Poppy's business.

[4]

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18

END OF PAPER