



EXAM PAPERS PRACTICE

Boost your performance and confidence with these topic-based exam questions

Practice questions created by actual examiners and assessment experts

Detailed mark scheme

Suitable for all boards

Designed to test your ability and thoroughly prepare you

Level: Pearson Edexcel Level 1/Level 2 GCSE (9-1) in Business (1BS0)

Subject: Business (1BS0)

Topic: GCSE Edexcel Business

Type: Topic Question



Business Edexcel GCSE

To be used for all exam preparation for 2025+

Business

GCSE

Key skills

Question 1

CASE STUDY

In August 2017, UK supermarket group Sainsbury's decided to cut its costs by £500 million to remain competitive.

One of the changes Sainsbury's made was to end its membership of Fairtrade. The Fairtrade scheme gives farmers in countries such as Kenya a higher price for their crops, such as tea. In return, Sainsbury's can use the Fairtrade logo on its products. This makes its groceries, such as bananas, more attractive to ethically-minded customers.

Sainsbury's has decided to replace Fairtrade with its own scheme called 'Fairly Traded'. Critics of the change believe that it confuses customers. Protests about this change have already been held in London.

Sainsbury's also decided to reduce its head office workforce by 1,000. This allowed the company to increase wages for its shop floor employees, including checkout operators and shelf stackers, by 4.4% to £8 per hour. This reduced the wage difference with Aldi, which pays £8.53 per hour. Sainsbury's wants to retrain shop floor employees to improve the customer service in its stores.

Evaluate the impact on Sainsbury's of reducing costs to remain competitive. You should use the information provided as well as your knowledge of business.

[12 marks]

Question 2

CASE STUDY

Mind Candy Ltd produces games and apps for computers and mobile devices. Its most successful game was Moshi Monsters. The game was aimed at young teenagers and was a global hit, with 80 million users in 2012.

In 2013, Mind Candy made large losses as sales revenue fell due to the falling popularity of its games. This was blamed on the short product life cycle of Moshi Monsters and increased competition in its market. As a result of these losses, Mind Candy reduced its workforce of software developers.

Mind Candy now needed to raise £1.2 million of extra finance. It required this finance to pay existing costs and fund the development of new apps such as Petlandia. Mind Candy believes Petlandia will allow it to return to organic growth. The app is free to download and allows players to design a virtual version of their own pet. This virtual pet can go on an adventure within the app. The adventure is then turned into a personalised storybook which can be purchased for £19.99.

In order to increase its net profit margin Mind Candy is considering two options:

Option 1: developing and selling a range of Petlandia-themed children's toys

Option 2: requiring all staff to work remotely

Justify which **one** of these two options Mind Candy should choose.

[9 marks]