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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

Kentucky Fried Chicken (KFC) is a fast food chain that sells fried chicken. Amongst its most popular products are Popcorn Chicken, Boneless Chicken boxes and Zinger Tower burgers. These are freshly cooked in batches in each of its 900 restaurants across the UK.

In 2017, KFC changed the company it used to transport its supplies of chicken. It replaced Bidvest with DHL. Bidvest had three distribution centres across the UK, but DHL only had one. In February 2018, DHL started to have logistical problems causing many KFC restaurants to run out of chicken. This led to a temporary closure of many KFC branches due to poor supplier reliability.

As a result of these closures, KFC started losing market share to rival fast food restaurants such as Burger King. KFC used social media and a viral advertising campaign to apologise to customers. It also considered lowering the prices of its most popular food items to win back lost customers and recapture market share.

In order to regain its lost market share, KFC considered two options:

Option 1: lower prices

Option 2: use viral advertising.

Justify which **one** of these two options KFC should choose.

[9 marks]

Question 2

CASE STUDY

Iceland is a supermarket that sells frozen food. Although the grocery industry is very competitive, Iceland enjoyed a successful 2017. Sales revenue increased by 2.0% allowing profits to increase by £9.5 million to £160 million.

Iceland believes this success has been due to improved marketing. It has introduced new products using the Slimming World and Millie's Cookies brand names. It also launched a new advertising campaign called 'The Power of Frozen'. In addition it has developed a new store format called 'The Food Warehouse'. These stores are much larger than a normal Iceland store which allows them to stock more luxury products. Iceland hopes that The Food Warehouse will help it to appeal to high-income customers and it plans to open more stores.



Figure 3: Iceland's new packaging

In 2018, Iceland received positive publicity from its decision to ban all plastic packaging on its own-brand products by 2023. It intends to replace plastic with recycled paper, as shown in Figure 3. A survey of 5,000 of its customers showed that 80% of them agreed with the change. Pressure groups, such as Friends of the Earth, have welcomed Iceland's decision. Plastic waste has caused pollution of the world's oceans and has killed marine life. Pressure groups hope that Iceland's decision will be repeated by other supermarkets in the UK.

Evaluate whether Iceland is likely to benefit from its decision to ban all plastic packaging on its own-brand products. You should use the information provided as well as your knowledge of business.

[12 marks]

Question 3

CASE STUDY

ASOS plc is an online fashion retailer which targets customers in their 20s. The company started in 2000 and since then it has grown significantly. One of the main reasons for its growth is what Chief Executive NickBeighton calls, the 'ASOS Experience'.



Figure 4: Automation at an ASOS warehouse

The company focuses on high quality logistics to distribute its products and increased use of warehouse technology. This has resulted in a warehouse and distribution system which is almost fully automated (Figure 4). This allows ASOS to deliver customer orders the next day, so long as the order is placed online before midnight. Automation has also given ASOS the ability to increase the range of clothes it can sell on its website

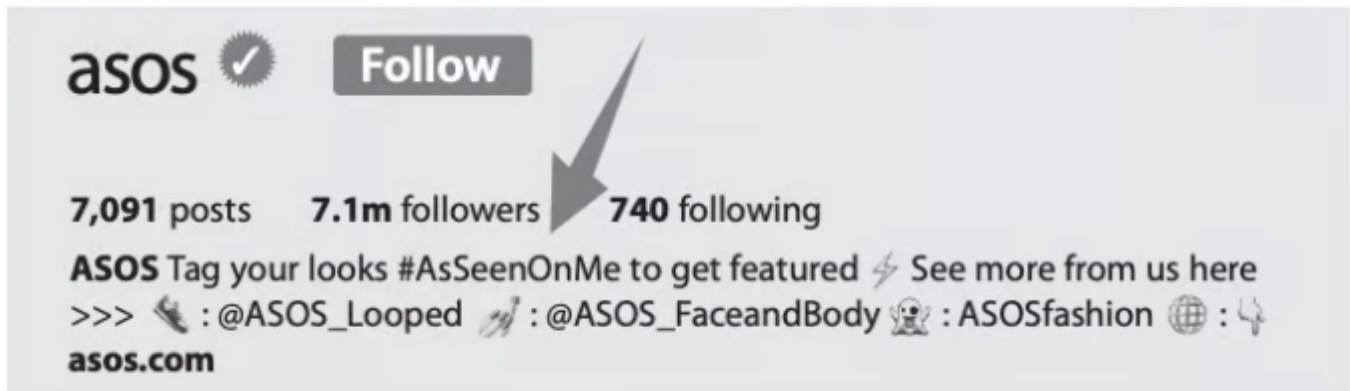


Figure 5: ASOS's Instagram bio

However, the market for clothes in the UK is becoming increasingly competitive. Despite a significant growth in sales, ASOS's profits have fallen. This has caused the company's share price to fall. ASOS has responded by focusing on viral advertising. Its latest campaign is to get customers to use the hashtag #AsSeenOnMe (Figure 5) when they are showing off their latest ASOS outfit on social media. In return, ASOS gives customers the opportunity to be featured on the ASOS Instagram feed which has 7.1 million followers.

In order to increase its profits, ASOS is considering two options:

Option 1: lower prices

Option 2: advertise on more social media channels.

Justify which **one** of these two options ASOS should choose.

[9 marks]