



## 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

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'.

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.

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

Evaluate whether high quality logistics will give ASOS a competitive advantage. You should use the information provided as well as your knowledge of business.

**[12 marks]**

## Question 2

### CASE STUDY

Tesla is a public limited company based in California, USA. Its founder and main shareholder, Elon Musk, wanted to produce an electric car that is affordable to a large number of potential customers. This car is called the Tesla Model 3 (Figure 3).

Introduced in 2017, the basic version of the Model 3 was originally priced at \$50 000 and the company wanted to reduce this price to \$35 000 by 2019. However, this was difficult to achieve because Tesla's California factory suffered from low levels of productivity. These problems resulted in Tesla making a \$976 million loss in 2018.



*Figure 3: Tesla Model 3 electric car*

Following the introduction of tariffs on US imports by the Chinese government in 2018, Tesla decided to invest \$5 billion in the construction of a new car factory in Shanghai, China. This factory will use flow production. However, with only \$2.4 billion of available capital, Tesla needs to raise external finance to fund it.

In 2019, Tesla decided to close most of its showrooms to reduce costs. The company believes customers will be happy to purchase electric cars using e-commerce.

In order to ensure quality in its new Chinese factory, Tesla is considering two options:

**Option 1:** Employing quality control inspectors to carry out comprehensive tests on finished vehicles

**Option 2:** Implementing a system of quality assurance

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

[9 marks]

### Question 3

#### 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 rivals 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 improve its sales process, KFC is considering two options:

**Option 1:** Introduce a click and collect service

**Option 2:** Provide table service

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

[9 marks]