

Surname	Centre Number	Candidate Number
Other Names		2



GCE AS/A level

1081/01

BUSINESS STUDIES – BS1

P.M. MONDAY, 20 May 2013

1¼ hours

For Examiner's use only		
Question	Maximum Mark	Mark Awarded
1.	8	
2.	14	
3.	12	
4.	6	
5.	10	
Total	50	

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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 in the spaces provided.

INFORMATION FOR CANDIDATES

Mark allocations are shown in brackets.

You are reminded that assessment will take into account the quality of written communication used in answers that involve extended writing (question 5).

Answer **all** the questions in the spaces provided.

1. Daniel Woods is a very successful entrepreneur whose company, DW Engineering Ltd, makes brake-pads for large lorries. In a recent interview he was asked what motivated him to go into business. He replied “I knew that I had to satisfy my **needs** and **wants** to give me the luxury lifestyle I hoped for. I decided that the best way would be to start a business where I could provide goods and services at a price people were prepared to pay and would give me a healthy profit. The secret is to find the right product or service to sell and then to sell nationally and internationally”.

(a) With the aid of examples, distinguish between *needs* and *wants*. [4]

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(b) Explain **two** possible advantages to DW Engineering Ltd of selling its products internationally. [4]

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2. A clever little concept

www.girlmeetsdress.com is a dress-lending site that allows customers to borrow a designer dress for two days, a week or a month. Hiring a current season designer dress at £120 for two nights might not seem like the bargain of the century, but this is a chance to wear very expensive clothes which, had they been bought, might be worn only once. It's "time-share" fashion.

The selection of dresses is updated weekly with rental prices varying, depending on the cost of the dress. www.girlmeetsdress.com was founded by fashion expert Anna Bance, who carried out a considerable amount of market research, both **quantitative** and **qualitative**, to ensure that she had exactly the right stock to meet the needs of her customers.

Adapted from The Times, May 2009

- (a) Suggest and explain methods of *quantitative* and *qualitative* market research that Anna may have carried out before setting up her business. [4]

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- (b) Explain the benefits that Anna may have gained by carrying out market research. [6]

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Now that www.girlmeetsdress.com is established in the market it is set to expand its service to include a range of designer clothes for men. This enables an **asset-led** approach to marketing.

(c) With the use of examples, explain the term *asset-led* marketing. [4]

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Turn over for question 3

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3. Dollond & Aitchison Ltd was one of the oldest chains of retail opticians in the United Kingdom, having been established in 1750. The business merged with Boots Opticians in 2009, and its stores have been rebranded under the Boots name. This is an example of **horizontal integration**.

(a) (i) Explain why the merger of Dollond & Aitchison and Boots is an example of *horizontal integration*. [2]

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(ii) Explain the benefits to Boots Opticians of the merger with Dollond & Aitchison. [4]

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Boots Opticians has over 650 optician shops throughout the UK, with approximately 210 of them operating as franchises. Boots is already one of the biggest **franchisors** in the sector. It has ambitious plans to open more franchises over the next few years.

(b) What are the advantages and disadvantages to Boots Opticians of operating as a *franchisor*? [6]

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