YEAR 11 | BUSINESS STUDIES

STUDENT PAPER — original practice assessment

Name: _____ Date: _____

Suggested time: 60–75 minutes. Show reasoning, cite evidence where appropriate, and answer in complete sentences.

Case study — Original business scenario

1. A small bakery, North Street Bakes, employs eight staff. Its sales are rising, but ingredient costs have increased by 15%. The owner is considering an online ordering service costing £4,000 to launch. A nearby competitor has started selling cheaper products, while customers praise the bakery's quality and friendly service.

Section A — Business fundamentals (24 marks)

1. Identify two stakeholders and explain how each could be affected by an online ordering service. (6)

2. Explain the difference between revenue, cost and profit using a bakery example. (6)

3. Give two advantages and two disadvantages of competing on quality rather than price. (8)

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4. Explain one way market research could reduce the risk of the £4,000 investment. (4)

Section B — Quantitative and evaluative response (16 marks)

1. The bakery sells 200 loaves per week at £4 each. Variable cost is £1.50 per loaf and weekly fixed costs are £300. Calculate weekly revenue, total cost and profit. (8)

2. Recommend whether the bakery should launch online ordering. Evaluate financial and non-financial factors. (8)

ANSWER KEY & TUTOR GUIDANCE

Business Studies

The following pages contain suggested answers, marking points and tutor guidance. For open-ended tasks, answers are indicative rather than the only acceptable responses.

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TUTOR GUIDE — indicative responses and marking points

Case study — Original business scenario

1. Identify cost pressure, differentiation, investment risk, competition and customer loyalty.

Section A — Business fundamentals (24 marks)

1. Employees: workload/training; customers: convenience; owner: cost and sales; suppliers: order volume.

2. Revenue sales receipts; costs expenditure; profit revenue minus costs.

3. Advantages loyalty, differentiation/premium; disadvantages higher costs, smaller market, difficult consistency.

4. Survey purchase intent or pilot orders to estimate demand; recognise limitations of stated preference.

Section B — Quantitative and evaluative response (16 marks)

1. Revenue £800; variable costs £300; total costs £600; profit £200.

2. Consider £4,000 outlay, demand forecasts, margins, convenience, brand, staff capacity, competition; balanced recommendation with conditions.

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