

**ENTRY LEVEL**

**BUSINESS STUDIES**

Internal Assessment 2 (Test Format)

**R343**

Production, Finance and the External Business Environment

Candidate Forename		Candidate Surname	
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Centre Number						Candidate Number				
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**INSTRUCTIONS TO CANDIDATES**

- Write your name in capital letters, your Centre Number and Candidate Number in the boxes above.
- Use black ink. Pencil may be used for graphs and diagrams only.
- Read each question carefully and make sure that you know what you have to do before starting your answer.
- Answer **all** the questions.

**INFORMATION FOR CANDIDATES**

- The number of marks for each question is given in brackets [ ] at the end of each question or part question.
- The total number of marks for this paper is **40**.
- This document consists of **12** pages. Any blank pages are indicated.

Teacher Use Only:			
1		5	
2		6	
3		7	
4		8	
9		10	
<b>Total</b>			

### Section A – Production and Costs

Answer **all** questions.

1 Debbie runs a business making different types of cakes.

(a) Complete the sentence using **two** of the words that are written below:

**profit    sell    work**

Debbie makes cakes to .....so that she can make a .....

[2]

(b) Sometimes Debbie will work on one cake at a time such as when she is making wedding cakes.

Why does she work on **one** wedding cake at a time? Tick the correct answer below.

Each customer wants different decoration on their cake.

It works out cheaper to produce only one at a time.

[1]

(c) Tick the statement that describes batch production.

A number of the same kind of cakes are made at the same time.

One cake only is made at a time.



[1]

2 Debbie has written down the costs of making a wedding cake.

(a) Add up the costs to find the **total** cost of making a wedding cake.

Ingredients	£30	
+		
Wages	£60	
<b>= Total Cost</b>	£.....	<b>[1]</b>

(b) Tick the correct name for the money that Debbie pays to the people who work for her.

Cost of ingredients

Wages

**[1]**

(c) Debbie sells a birthday cake for £9. It cost her £5 to make.

How much profit will Debbie make on the cake?

Price at which cake is sold	£9	
Cost of making cake	£5	
<b>Profit</b>	£ .....	<b>[1]</b>

3 Debbie wants to buy a machine to mix ingredients. It will cost £1000.

Give **two** ways in which Debbie could get £1000 to pay for the machine.

Way 1 .....

Way 2 .....

**[2]**

4 (a) Which **one** of these statements is about mass production?

Tick the correct box.




At Zog Cars, hundreds of cars are made at the same time.




Workers at the MDZ car factory work on a single car until they have finished it.

[1]

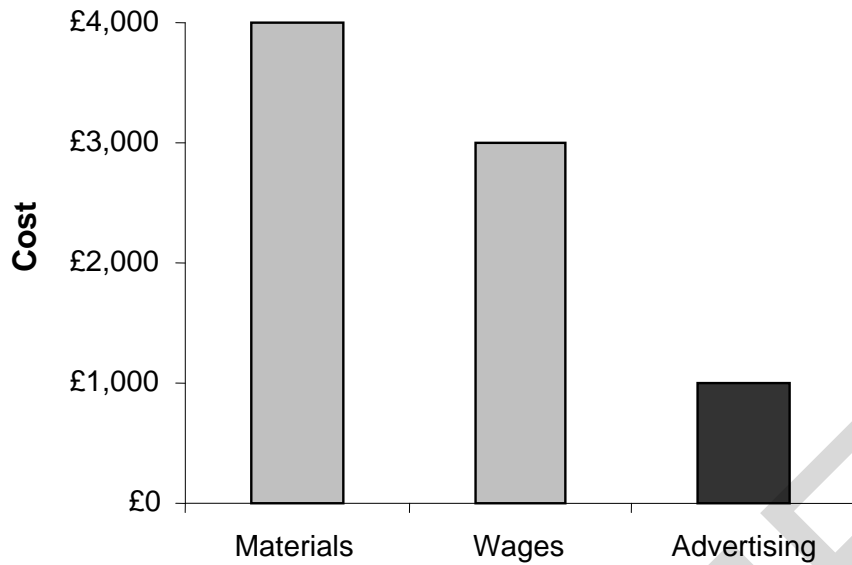
(b) Complete the following sentences using **two** of the words below.

rarer      slower      cheaper

Zog Cars are likely to be..... than MDZ cars. However, some people will prefer to buy MDZ cars because they will be .....

[2]

5 The chart below shows the costs of making and selling a new car at MDZ.



(a) What is the **highest** cost in making and selling a car at MDZ?

.....

What is the **lowest** cost in making and selling a car at MDZ?

..... [2]

(b) MDZ spends a lot of money on advertising. Give **two** reasons why MDZ might spend a lot of money on advertising.

Reason 1: .....

.....

Reason 2: .....

..... [2]

6 Zog Cars has bought some machines that will do the jobs that some of the workers used to do.

(a) Give **two** reasons why Zog Cars might use machines rather than workers.

Reason 1 .....

Reason 2 ..... [2]

(b) Give **two** reasons why some of the workers might be unhappy about Zog Cars using the machines rather than workers.

Reason 1 .....

Reason 2 ..... [2]

**Section A Total: [20]**

SPECIMEN

## Section B

Answer **all** questions.

- 7 Kerr Fashions is a shop that sells clothes. Some of the clothes that Kerr Fashions sells are made in another country and are then brought to Britain.

- (a) Tick **two** reasons why some British shops might buy clothes from abroad to sell.

Reasons	Tick ✓
The clothes from another country are often cheaper than those made in Britain.	
It is not possible to make T-shirts in Britain.	
Clothes do not have to be transported as far.	
The clothes from abroad are sometimes a better quality than those made in Britain.	

[2]

- (b) (i) Some clothes from another country are made by children less than 10 years old. Why might the business that makes the clothes employ such young children?



.....  
 .....  
 ..... [1]

- (ii) Joe Kerr, the owner of Kerr Fashions, will **not** buy clothes that have been made by children even if they are good quality. Give **one** reason why he might **not** want to buy clothes made by children.

.....  
 ..... [1]

(iii) Most businesses like to behave in an ethical way, which means treating workers fairly. Which of the following is **not** ethical (not fair)? Put a tick to show the correct answer.

Making workers work for a low wage

Making the factory safe for workers

[1]

8 Joe Kerr wants to expand his business by opening a new shop.

(a) Give **two** things that businesses like Joe's may need to spend money on if they want to expand.

Reason 1 .....

.....

Reason 2 .....

..... [2]

(b) To expand businesses often need to borrow money. Where can a business borrow money from?

.....

..... [1]

(c) Tick to show whether the statements below are advantages or disadvantages to Joe of using all his own savings to pay for the expansion of the business.

Statement	Advantage	Disadvantage
By using <b>all</b> his savings:		
Joe will not be able to buy a new car that he wanted.		
Joe will not have to borrow as much.		
Joe will have less money in his bank account.		
Joe will have no money for an emergency		

[4]



9 Below are some statements about the new shopping centre which is in the town of Shanley.

Put a tick next to the things that will be **good** for the people who live in Shanley.

Put a cross next to the things that will be **bad** for the people who live in Shanley.

There is a lot more litter in Shanley.

There is a lot more traffic in Shanley.

Trees have been planted to make the area look nice.

The shopping centre was built on land that used to be a park.

[4]

SPECIMEN

10 The owner of Pear Tree Farm wants to sell some of his land so that an airport can be built. Some local people **do not** want the airport to be built.

(a) Complete the poster below to show **two** reasons why they may **not** want the airport.

*Say*

**NO** to Talbot Airport



Reason 1: \_\_\_\_\_  
\_\_\_\_\_

Reason 2: \_\_\_\_\_  
\_\_\_\_\_

[2]

(b) **Two** people who **want** the airport to be built are:

- John, the owner of Pear Tree Farm.
- Nat who is unemployed.

Why might each of them **want** the airport to be built?

John might want the airport to be built because .....

.....

Nat might want the airport to be built because .....

..... [2]

Section B Total [20]

Paper Total [40]

SPECIMEN

SPECIMEN

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**BUSINESS STUDIES**

**R343**

Internal Assessment 2 (Test Format)

Production, Finance and the External Business Environment

**Specimen Mark Scheme**

The maximum mark for this paper is **40**.

SPECIMEN

Section A		
Question Number	Answer	Max Mark
1	<p><b>Debbie runs a business making different types of cakes.</b></p> <p><b>(a) Complete the sentence using <u>two</u> of the words that are written below:</b></p> <p>Debbie makes cakes to <b>sell</b> so that she can make a <b>profit</b>.</p>	[2]
	<p><b>(b) Sometimes Debbie will work on one cake at a time such as when she is making wedding cakes.</b></p> <p><b>Why does she work on <u>one</u> wedding cake at a time? Tick the correct answer below.</b></p> <p>Each customer wants a different decoration on their cake.</p>	[1]
	<p><b>(c) Tick the statement that describes batch production.</b></p> <p>A number of the same kind of cakes are made at the same time.</p>	[1]
2	<p><b>Debbie has written down the costs of making a wedding cake.</b></p> <p><b>(a) Add up the costs to find the <u>total</u> cost of making a wedding cake.</b></p> <p>£90</p>	[1]
	<p><b>(b) Tick the correct name for the money that Debbie pays to the people who work for her.</b></p> <p>Wages</p>	[1]
	<p><b>(c) Debbie sells a birthday cake for £9. It cost her £5 to make. How much profit will Debbie make on the cake?</b></p> <p>£4.00</p>	[1]

Section A		
Question Number	Answer	Max Mark
3	<p>Debbie wants to buy a machine to mix ingredients. It will cost £1000.</p> <p>Give <u>two</u> ways in which Debbie could get £1000 to pay for the machine.</p> <p>Two appropriate reasons suggested, for example</p> <ul style="list-style-type: none"> <li>• Credit card</li> <li>• Bank loan</li> <li>• Borrow from friends</li> </ul>	[2]
4(a)	<p>Which <u>one</u> of these statements is about mass production? Tick the correct box.</p> <p>At Zog Cars, hundreds of cars are made at the same time</p>	[1]
(b)	<p>Complete the following sentences using <u>two</u> of the words below.</p> <p>Zog cars are likely to be <b>cheaper</b> than MDZ cars. However, some people will prefer to buy MDZ cars because they will be <b>rarer</b>.</p>	[2]
5	<p>The chart below shows the costs of making and selling a new car at MDZ.</p> <p>(a) What is the highest cost in making and selling a car at MDZ?</p> <p>Materials</p> <p>What is the lowest cost in making and selling a car at MDZ?</p> <p>Advertising</p>	[2]
(b)	<p>MDZ spends a lot of money on advertising. Give <u>two</u> reasons why MDZ might spend a lot of money on advertising.</p> <p>Two appropriate reasons suggested, for example</p> <ul style="list-style-type: none"> <li>• They will sell more cars</li> <li>• Advertising is expensive</li> <li>• So people know about their cars</li> <li>• So people know where to buy the cars</li> </ul>	[2]

Section A		
Question Number	Answer	Max Mark
6	<p><b>Zog Cars has bought some machines that will do the jobs that some of the workers used to do.</b></p> <p><b>(a) Give <u>two</u> reasons why Zog Cars might use machines rather than workers.</b></p> <p>Two appropriate reasons suggested, for example</p> <ul style="list-style-type: none"> <li>• The machines will work more quickly</li> <li>• More cars will be produced</li> <li>• The machines will make less mistakes</li> <li>• MDZ will make more cars</li> <li>• The costs of the cars will fall</li> <li>• The quality of the cars will improve</li> <li>• The machines will be able to work all day</li> </ul>	[2]
	<p><b>(b) Give <u>two</u> reasons why some of the workers might be unhappy about Zog Cars using the machines rather than workers.</b></p> <p>Two appropriate reasons suggested, for example</p> <ul style="list-style-type: none"> <li>• The workers will lose their jobs</li> <li>• The workers will need to train to use the machines</li> <li>• The may not like working with the new machines</li> </ul>	[2]
<b>Section A Total</b>		<b>[20]</b>



Section B												
Question Number	Answer	Max Mark										
7	<p>Kerr Fashions is a shop that sells clothes. Some of the clothes that Kerr Fashions sells are made in another country and are then brought to Britain.</p> <p>(a) Tick <b>two</b> reasons why some British shops might buy clothes from abroad to sell.</p> <table border="1"> <thead> <tr> <th>Statement</th> <th>Tick ✓</th> </tr> </thead> <tbody> <tr> <td>The clothes from another country are often cheaper than those made in Britain.</td> <td>✓</td> </tr> <tr> <td>It is not possible to make T-shirts in Britain.</td> <td></td> </tr> <tr> <td>Clothes do not have to be transported as far.</td> <td></td> </tr> <tr> <td>The clothes from abroad are sometimes a better quality than those made in Britain.</td> <td>✓</td> </tr> </tbody> </table>	Statement	Tick ✓	The clothes from another country are often cheaper than those made in Britain.	✓	It is not possible to make T-shirts in Britain.		Clothes do not have to be transported as far.		The clothes from abroad are sometimes a better quality than those made in Britain.	✓	[2]
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Clothes do not have to be transported as far.												
The clothes from abroad are sometimes a better quality than those made in Britain.	✓											
(b)(i)	<p><b>Some clothes from another country are made by children less than 10 years old. Why might the business that makes the clothes employ such young children?</b></p> <p>One mark for any appropriate point, for example:</p> <ul style="list-style-type: none"> <li>You do not have to pay children a lot.</li> <li>It will save them money.</li> <li>They will make more profit.</li> <li>Children have very nimble fingers.</li> </ul>	[1]										
(ii)	<p><b>Joe Kerr, the owner of Kerr Fashions, will <u>not</u> buy clothes that have been made by children even if they are good quality. Give <u>one</u> reason why he might <u>not</u> want to buy clothes made by children.</b></p> <p>One mark for an appropriate point, for example:</p> <ul style="list-style-type: none"> <li>Joe does not think children should work.</li> <li>Children should go to school.</li> <li>It is unfair to make children work.</li> </ul>	[1]										
(iii)	<p><b>Most businesses like to behave in an ethical way, which means treating workers fairly. Which of the following is not ethical (not fair)? Put a tick to show the correct answer</b></p> <p><input checked="" type="checkbox"/> Making workers work for a low wage</p> <p><input type="checkbox"/> Making the factory safe for workers</p>	[1]										

Section B																				
Question Number	Answer	Max Mark																		
8	<p><b>Joe Kerr wants to expand his business by opening a new shop. Give <u>two</u> things that businesses like Joe's may need to spend money on if they want to expand.</b></p> <p>Accept any two reasonable answers, for example:</p> <ul style="list-style-type: none"> <li>• A new shop, factory, offices</li> <li>• New machines and equipment – computers etc.</li> <li>• Stock – clothes to sell, materials etc</li> <li>• Stationary items – paper-clips, paper etc.</li> </ul>	[2]																		
(a)	<p><b>To expand businesses often need to borrow money. Where can a business borrow money from?</b></p> <p>Accept any reasonable answer.</p> <ul style="list-style-type: none"> <li>• Bank, friends, family etc.</li> </ul>	[1]																		
(b)	<p><b>Tick to show whether the statements below are advantages or disadvantages to Joe of using all his own savings to pay for the expansion of the business.</b></p>																			
(i)	<table border="1"> <thead> <tr> <th>Statement</th> <th>Advantage</th> <th>Disadvantage</th> </tr> </thead> <tbody> <tr> <td>By using <b>all</b> his savings:</td> <td></td> <td></td> </tr> <tr> <td>Joe will not be able to buy a new car that he wanted.</td> <td></td> <td>✓</td> </tr> <tr> <td>Joe will not have to borrow as much.</td> <td>✓</td> <td></td> </tr> <tr> <td>Joe will have less money in his bank account.</td> <td></td> <td>✓</td> </tr> <tr> <td>Joe will have no money for an emergency</td> <td></td> <td>✓</td> </tr> </tbody> </table>	Statement	Advantage	Disadvantage	By using <b>all</b> his savings:			Joe will not be able to buy a new car that he wanted.		✓	Joe will not have to borrow as much.	✓		Joe will have less money in his bank account.		✓	Joe will have no money for an emergency		✓	[4]
Statement	Advantage	Disadvantage																		
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Joe will not have to borrow as much.	✓																			
Joe will have less money in his bank account.		✓																		
Joe will have no money for an emergency		✓																		

Section B		
Question Number	Answer	Max Mark
(9)	<p>Below are some statements which are about the new shopping centre which is in the town of Shanley.</p> <p>Put a tick next to the things that will be <u>good</u> for the people who live in Shanley.</p> <p>Put a cross next to the things that will be <u>bad</u> for the people who live in Shanley.</p> <p><input checked="" type="checkbox"/> There is a lot more litter in Shanley.</p> <p><input type="checkbox"/> There is a lot more traffic in Shanley.</p> <p><input checked="" type="checkbox"/> Trees have been planted to make the area look nice.</p> <p><input checked="" type="checkbox"/> The shopping centre was built on land that used to be a park.</p>	[4]
10	<p>The owner of Pear Tree Farm wants to sell some of his land so that an airport can be built.</p> <p>Some local people <u>do not</u> want the airport to be built.</p> <p>(a) Complete the poster below to show <u>two</u> reasons why they may <u>not</u> want the airport.</p> <p>Two appropriate reasons suggested, for example:</p> <ul style="list-style-type: none"> <li>• Noise</li> <li>• Pollution</li> <li>• More traffic/cars</li> </ul> <p>(b) <u>Two</u> people who <u>want</u> the airport to be built are:</p> <ul style="list-style-type: none"> <li>• John, the owner of Pear Tree Farm.</li> <li>• Nat who is unemployed.</li> </ul> <p>Why might each of them <u>want</u> the airport to be built?</p> <p>One appropriate reason why John would like the airport to be built, for example:</p> <ul style="list-style-type: none"> <li>• John will sell his land</li> <li>• John will make a lot of money</li> </ul> <p>One appropriate reason why Nat would like the airport to be built, for example:</p> <ul style="list-style-type: none"> <li>• Nat will get a job</li> <li>• Nat will be able to make some money</li> </ul>	[2]
	<b>Section B Total</b>	[20]
	<b>Paper Total</b>	[40]

## LEVELS GRID - TEST NUMBER 2

Question Number	Level 1 Marks	Level 2 Marks	Level 3 Marks	Total for Question
<b>Section A</b>				
1(a)	2			2
1(b)	1			1
1(c)		1		1
2(a)	1			1
2(b)	1			1
2(c)		1		1
3		2		2
4(a)		1		1
4(b)		2		2
5(a)	2			2
5(b)	2			2
6(a)			2	2
6(b)			2	2
<b>SECTION TOTALS</b>	<b>9</b>	<b>7</b>	<b>4</b>	<b>20</b>
<b>Section B</b>				
7(a)	2			2
7(bi)	1			1
7(bii)		1		1
7(biii)	1			1
8(a)			2	2
8(b)			1	1
8(c)		4		4
9		4		4
10(a)			2	2
10(b)			2	2
<b>SECTION TOTALS</b>	<b>4</b>	<b>9</b>	<b>7</b>	<b>20</b>
<b>ASSESSMENT TOTALS</b>	<b>13</b>	<b>16</b>	<b>11</b>	<b>40</b>

## Assessment Objectives Grid Test 2

Question Number	A01	A02	A03	Total for Question
1(a)	2			2
1(b)		1		1
1(c)	1			1
2(a)		1		1
2(b)	1			1
2(c)		1		1
3	2			2
4(a)	1			1
4(b)		2		2
5(a)			2	2
5(b)	2			2
6(a)		2		2
6(b)		2		2
Total	9	9	2	
<b>Section B</b>				
7(a)	2			2
7(bi)			1	1
7(bii)			1	1
7(biii)	1			1
8(a)	2			2
8(b)	1			1
8(c)			4	4
9			4	4
10(a)		2		2
10(b)			2	2
Total	6	2	12	
<b>ASSESSMENT TOTALS</b>	<b>15</b>	<b>11</b>	<b>14</b>	<b>40</b>