



Oxford Cambridge and RSA

**Wednesday 25 May 2022 – Afternoon**

**Level 1/2 Cambridge National in Enterprise and Marketing**

**R064/01** Enterprise and marketing concepts

**Time allowed: 1 hour 30 minutes**



**You can use:**

- a calculator



Please write clearly in black ink. **Do not write in the barcodes.**

Centre number

--	--	--	--	--

Candidate number

--	--	--	--

First name(s)

---

Last name

---

**INSTRUCTIONS**

- Use black ink.
- Write your answer to each question in the space provided. You can use extra paper if you need to, but you must clearly show your candidate number, the centre number and the question numbers.
- Answer **all** the questions.

**INFORMATION**

- The total mark for this paper is **80**.
- The marks for each question are shown in brackets [ ].
- This document has **20** pages.

**ADVICE**

- Read each question carefully before you start your answer.

## Section A

Answer **all** the questions.

Put a tick (✓) in the box next to the **one** correct answer for each question.

1 Small business grants are **not** awarded by

- (a) Banks
- (b) Business angels
- (c) Charities
- (d) Government

[1]

2 Which stage of the product lifecycle has no sales?

- (a) Development
- (b) Growth
- (c) Introduction
- (d) Maturity

[1]

3 Charlie owns a restaurant and has read some feedback from Sara, one of the customers.

Which customer feedback technique is Sara **most** likely to have used?

- (a) A comment made during a focus group
- (b) A social media review
- (c) A telephone survey
- (d) Sara's verbal feedback to the waiter

[1]

4 Freshco Coffee Ltd has changed the packaging of its product range to try to increase sales. Changing the packaging of a product is **best** described as an example of

(a) Advertising

(b) An extension strategy

(c) Customer engagement

(d) Sales promotion

[1]

5 How much sales revenue is earned by a business which generates a profit of £9000 when its fixed costs are £6500 and variable costs are £2300?

(a) £200

(b) £6700

(c) £15 500

(d) £17 800

[1]

6 Which of the functional activities is responsible for meeting customer needs?

(a) Finance

(b) Human Resources

(c) Marketing

(d) Operations

[1]

7 What is a disadvantage of collecting secondary market research?

(a) It is more expensive than primary market research

(b) It is not available for competitors to see

(c) It is time-consuming to collect

(d) It might not be up to date

[1]

8 Which of these sources of capital must eventually be repaid in full?

(a) Bank loan

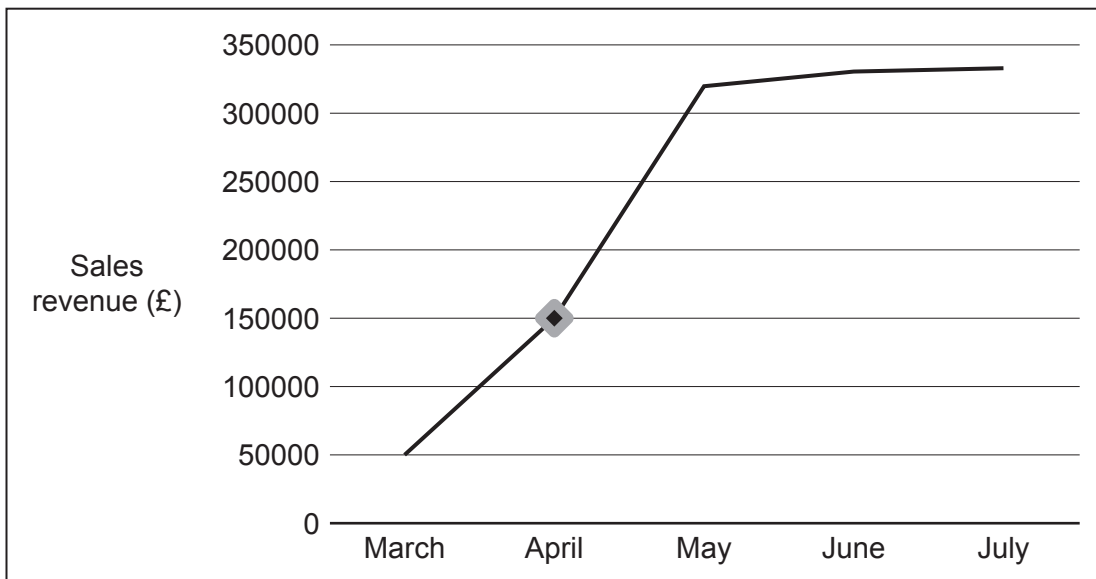
(b) Funds raised via crowdfunding

(c) Gift from a friend

(d) Small business grant

[1]

9 The sales revenue for Product X is shown in the chart below.



Which stage of the product lifecycle is Product X at in April?

(a) Decline

(b) Development

(c) Growth

(d) Maturity

[1]

10 Felix analyses sales figures for his business between 2017 and 2020 to identify trends.

Which of these **best** describes this type of data?

(a) External data

(b) Focus group data

(c) Internal data

(d) Qualitative data

[1]

11 Which of these is **not** a type of market segmentation?

(a) Age

(b) Customer review

(c) Geographic

(d) Occupation

[1]

12 A discount supermarket sells low-priced products. During which stage of the business cycle is it likely to experience the **most** growth in demand?

(a) Boom

(b) Growth

(c) Maturity

(d) Recession

[1]

13 What is an advantage of starting a business as a sole trader?

(a) Ability to raise additional capital easily

(b) Can keep all of the profits made

(c) Limited liability

(d) Unlimited liability

[1]

14 A patent is an example of

(a) A financial issue

(b) A legal issue

(c) A technological issue

(d) An economic issue

[1]

**15** An entrepreneur may have to return all of the funds pledged, if the funding target is not met.

Which source of finance does this refer to?

(a) Bank loan

(b) Business angel

(c) Crowdfunding

(d) Government grant

[1]

**16** Eve runs a shop in Birmingham. She is thinking of moving the shop to London to increase sales. Which of these describes Eve's extension strategy?

(a) New brand image

(b) New geographic market

(c) New guarantee for her product

(d) New sales promotion

[1]

**Section B**

Answer **all** questions.

A well-established clothing company in your local town is about to close down. One of the products the company sells is personalised hoodies, which are popular with students. These are bought by groups of students to celebrate leaving school or college. Sometimes, the school or college will buy a large batch of personalised hoodies for a whole year group, selling them on to individual students.

No other local business sells personalised hoodies and so you have set up a business specialising in printing and selling personalised hoodies.

**17** The four functional areas of a business are:

- Human Resources
- Marketing
- Operations
- Finance

From this list, state the name of the functional area that is responsible for each of the following activities.

– Deciding the price of a personalised hoodie

.....

– Ensuring the production area is safe to work in

.....

– Checking the quality of a finished hoodie

.....

– Organising a focus group

.....

– Monitoring the stock of raw materials

.....

**[5]**

18 Before starting production of personalised hoodies, you carry out some market research.

(a) State and explain **two** purposes of carrying out market research.

Purpose 1 .....

.....

Explanation .....

.....

Purpose 2 .....

.....

Explanation .....

.....

[4]



- (b) While browsing the Internet, you find a report about the sales and profit data of a business in a different part of the UK which also sells personalised clothing.

Analyse **one** advantage and **one** disadvantage of looking at competitors' data as part of your market research.

Advantage .....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Disadvantage .....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

[6]

- (c) Identify **two** ways that the needs of your customers might differ from those of other businesses.

1 .....

2 .....

[2]

19 You need to prepare a business plan.

(a) State and explain **two** reasons why an entrepreneur starting a new business should prepare a business plan.

Reason 1 .....

.....

Explanation .....

.....

Reason 2 .....

.....

Explanation .....

.....

[4]

(b) Identify **two** organisations or individuals who may wish to see your business plan.

1 .....

2 .....

[2]

20 You decide to run your business as a limited partnership.

Analyse **two** advantages of running your business as a limited partnership.

Advantage 1 .....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Advantage 2 .....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

[6]

21 Before you can open your business, you need to decide on the price and range of personalised hoodies you are going to sell.

(a) State and explain **two** factors to consider when deciding an appropriate price to charge for personalised hoodies.

Factor 1 .....

.....

Explanation .....

.....

Factor 2 .....

.....

Explanation .....

.....

[4]

(b) You decide to sell three different sizes of personalised hoodie. The table below shows the price for each size and the quantities sold during April.

Size	Price	Quantity sold
Small	£17.50	160
Medium	£20.00	470
Large	£22.00	220

Calculate the total sales revenue generated during April.

Show your workings.

Answer £ .....

[4]

22 State **two** parts of the marketing mix.

1 .....

2 .....

[2]

23 You plan to offer a loyalty scheme for schools and colleges, so they can earn loyalty points each time they order personalised hoodies. Once the school or college earns 100 points or more, they will get a 5% discount off their next order.

State and explain **two** advantages for your business of operating a loyalty scheme.

Advantage 1 .....

.....

Explanation .....

.....

Advantage 2 .....

.....

Explanation .....

.....

[4]

24 As your business becomes established, you decide to launch a new product range, school blazers, in a range of sizes.

(a) State and explain **one** advantage and **one** disadvantage of developing a clear Unique Selling Point (USP) for the school blazers.

Advantage .....

.....

Explanation .....

.....

Disadvantage .....

.....

Explanation .....

.....

[4]

(b) State **two** variables from the design mix model.

1 .....

2 .....

[2]

25 (a) You forecast these figures for selling medium-sized school blazers:

- Fixed costs £6300 per month
- Variable cost per blazer £10
- Selling price per blazer £45

The formula to calculate the break-even point is:

$$\frac{\text{Fixed costs}}{\text{Selling price per unit} - \text{Variable cost per unit}}$$

Using the formula, calculate the break-even point per month for the medium-sized school blazers.

Show your workings.

Answer ..... blazers

[2]

- (b) You intend to sell large-sized school blazers for £50. You have identified that the variable costs per large school blazer will be £12. Fixed costs will be £6900 per month.

The table below shows the number of large school blazers you will sell each month.

Month	Number of sales
September	250
October	80
November	100
December	120

- (i) Calculate the total costs for December.

Show your workings.

Answer £ .....

[2]

- (ii) Calculate the profit that you will make on **each** large school blazer sold in September.

Show your workings.

Answer £ ..... per blazer

[3]





.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

**END OF QUESTION PAPER**

19  
BLANK PAGE

PLEASE DO NOT WRITE ON THIS PAGE

**PLEASE DO NOT WRITE ON THIS PAGE**

---

**OCR**  
Oxford Cambridge and RSA

**Copyright Information**

OCR is committed to seeking permission to reproduce all third-party content that it uses in its assessment materials. OCR has attempted to identify and contact all copyright holders whose work is used in this paper. To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced in the OCR Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download from our public website ([www.ocr.org.uk](http://www.ocr.org.uk)) after the live examination series.

If OCR has unwittingly failed to correctly acknowledge or clear any third-party content in this assessment material, OCR will be happy to correct its mistake at the earliest possible opportunity.

For queries or further information please contact The OCR Copyright Team, The Triangle Building, Shaftesbury Road, Cambridge CB2 8EA.

OCR is part of Cambridge University Press & Assessment, which is itself a department of the University of Cambridge.