

Modified Enlarged 24pt
OXFORD CAMBRIDGE AND RSA EXAMINATIONS

Friday 9 May 2025 – Afternoon

GCSE (9–1) Business

**J204/01 Business 1: business activity,
marketing and people**

**Time allowed: 1 hour 30 minutes
plus your additional time allowance**

YOU CAN USE:
a calculator

Please write clearly in black ink.

Centre number

--	--	--	--	--

Candidate number

--	--	--	--

First name(s) _____

Last name _____

READ INSTRUCTIONS OVERLEAF



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 [].

Quality of extended response will be assessed in questions marked with an asterisk (*).

ADVICE

Read each question carefully before you start your answer.

SECTION A

1 Which option contains two secondary sources of market research? [1]

A Focus groups and websites

B Internal data and newspapers

C Magazines and questionnaires

D Place and product

Your answer

2 A young entrepreneur has decided to start up their own café.

The quality of communication will be important for this business because:

A all communications will be internal

B all of its employees will be new

C it will need to operate without risk

D it will use digital distribution channels

Your answer ☐ **[1]**

3 Two bakeries have different objectives.

What is a likely reason for this? [1]

- A Both bakeries use market segmentation**
- B It is illegal for food producers to set identical objectives**
- C One bakery makes bread and the other makes cakes**
- D The same entrepreneur owns both bakeries**

Your answer

- 4 An inventor is trying to develop a robot that can remove clothes from a washing machine and iron them. The inventor continues to try out new designs despite frequent setbacks.**

Which entrepreneurial characteristic is the inventor showing? [1]

- A Delegation**
- B Determination**
- C Leadership**
- D Risk avoidance**

Your answer

- 5 What is NOT a likely advantage of improving the human resources function in a business? [1]**
- A Better training opportunities**
 - B Greater use of trialling**
 - C Higher levels of employee motivation**
 - D More staff development**

Your answer

6 A small garage sells low-priced second-hand cars.

Which market segment is the garage MOST likely to target? [1]

- A Cycling enthusiasts**
- B High earners with luxurious lifestyles**
- C Local residents with low incomes**
- D Teenagers from across the country**

Your answer

7 What is a form of staff development? [1]

A A job description

B A person specification

C An apprenticeship

D An award scheme

Your answer

- 8 A fancy dress shop operates as a partnership. Its four partners have produced a business plan outlining their aim to grow the business.**

The business plan will be useful to the partners because it will:

- A help identify new costume suppliers and suitable markets**
- B help raise finance by persuading new investors to buy shares**
- C include an estimate of the dividends payable to shareholders**
- D include photographs of all their current fancy dress costumes**

Your answer **[1]**

- 9 A toy manufacturer wants to improve the way the business promotes itself. So far, it has been unable to do so due to a skills gap.**

Which option would fix this problem? [1]

- A Advertise for more production workers so that more toys can be made**
- B Encourage the most innovative toy designers to apply for new roles**
- C Order better raw materials to improve the quality of the toys**
- D Recruit a marketing specialist with experience in the toy industry**

Your answer

10 SP Engineering plc makes gearboxes for tractors. Market data for tractor gearboxes are shown in the table.

Year	UK sales of tractor gearboxes by SP Engineering plc (million)	Total UK market for tractor gearboxes (million)
2021	1.5	5
2022	1.6	6
2023	1.8	8
2024	2.1	10

The data shows that SP Engineering plc is:

- A earning more profit year on year**
- B experiencing external growth**
- C losing market share**
- D operating in a declining market**

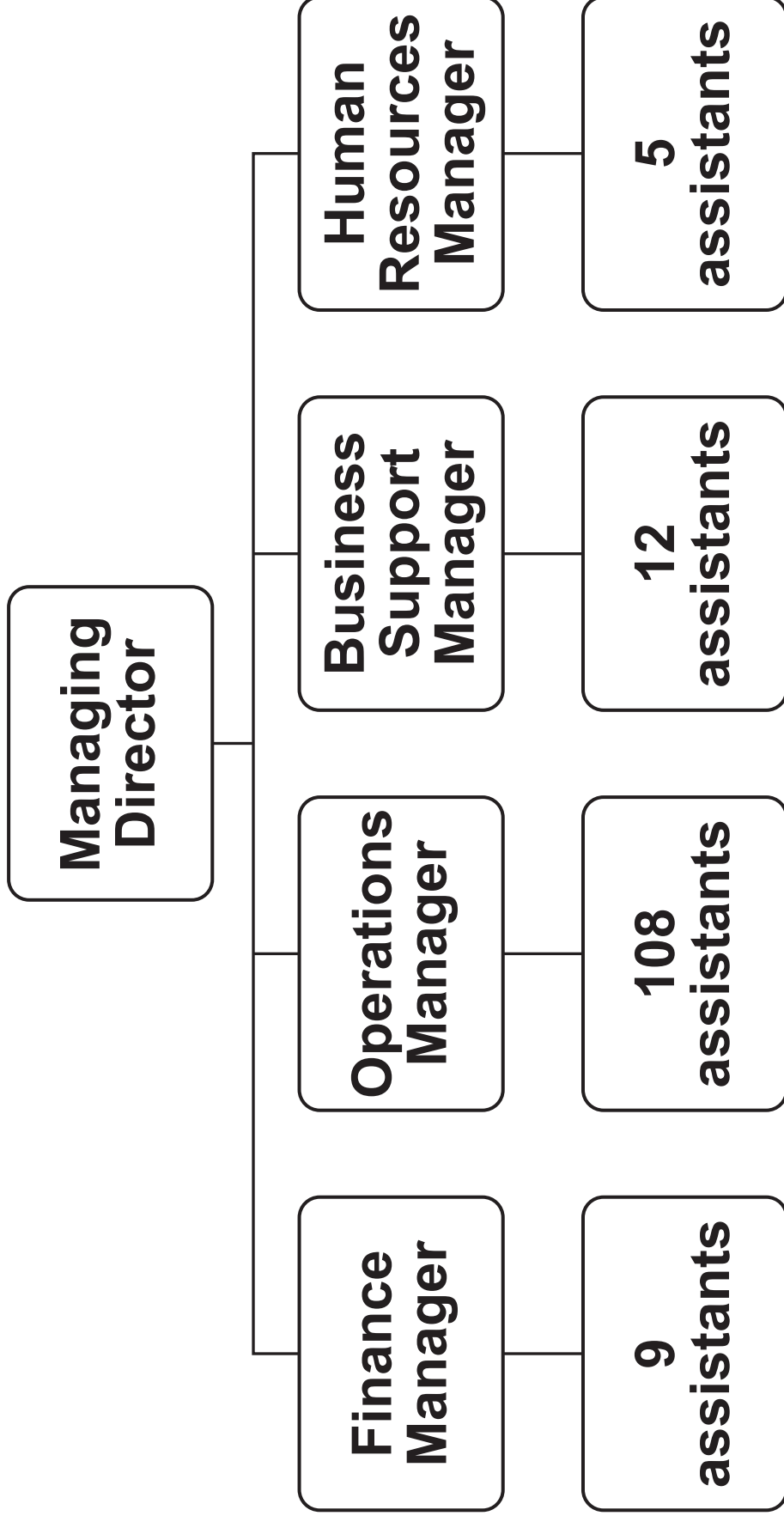
Your answer **[1]**

11 A business whose main objective is 'growth' is likely to be:

- A considering reducing the size of its workforce**
- B having difficulty keeping up with demand**
- C struggling to stay in existence**
- D trying to gain new customers**

Your answer ☐ **[1]**

12 The organisation chart of a company is shown.



What is the span of control of the Managing Director? [1]

A 4

B 8

C 134

D 138

Your answer

13 A burger bar is running a children's colouring competition. Young consumers can colour the paper placemat on their tray in the hope of winning a free ice cream.

This is an example of:

- A a free sample**
- B a loss leader**
- C a point of sale promotion**
- D advertising**

Your answer **[1]**

14 An 'established business' is a business that:

A has a good reputation

B has been operating for a long time

C is enterprising and creative

D is owned by more than one person

Your answer ☐ **[1]**

15 An e-book publisher is deciding on a marketing mix for its latest title.

The marketing mix for this e-book is likely to include:

- A a range of physical distribution channels**
- B advertising that recommends similar titles produced by competitors**
- C promotional material that highlights the e-book's unique content**
- D the use of census data to estimate demand**

Your answer **[1]**

BLANK PAGE

SECTION B

16

TEXT 1

Lidl Ltd

Adapted from uk.linkedin.com/company/lidl-gb and www.google.com/search?q=how+many+new+stores+did+lidl+open+in+the+uk+in+2023&rlz=1C1GCEO_ From first line "Lidl is one of Europe's leading food retailers" to last line "its 31 000 UK employees are now paid a wage rate which is 16% high

(a) Explain ONE purpose of planning business activity.

[2]

(b) Explain THREE advantages for Lidl of operating as a private limited company.

1 _____

2 _____

3 _____

[6]

(c) Analyse ONE likely reason why Lidl expands by using organic growth.

[3]

(d)

(i) Other than pay, identify TWO financial methods of motivation.

1 _____

2 _____

[2]

(ii) Evaluate whether Lidl should continue to pay employees a higher wage rate than competitors. [7]

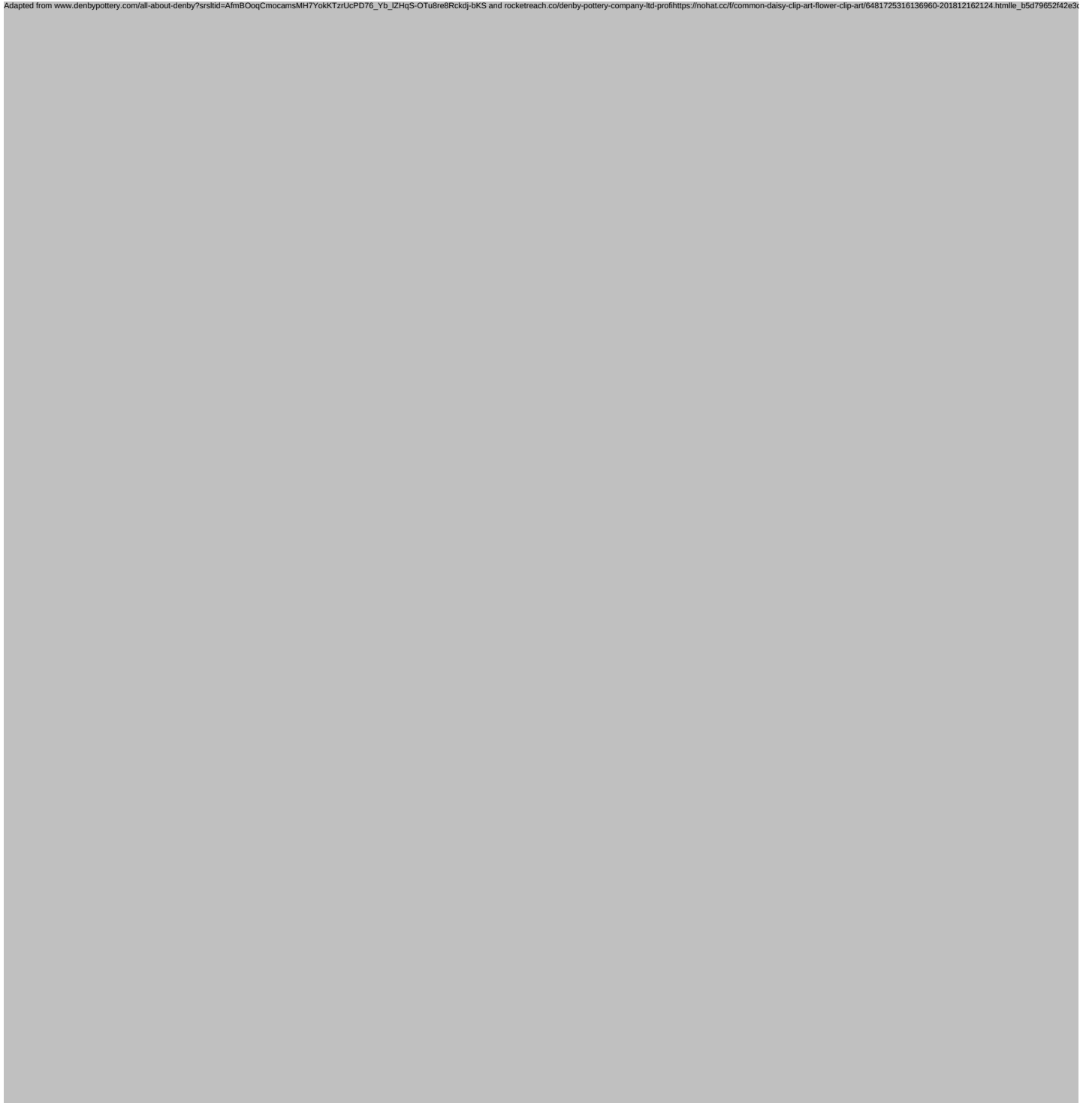
[illegible]

17

TEXT 2

Denby Pottery Company Ltd (Denby)

Adapted from www.denbypottery.com/all-about-denby?srsltid=AfmBOoqCmocasMH7YokKTzrUcPD76_Yb_IZHqS-OTu8re8Rckdj-bKS and rocketreach.co/denby-pottery-company-ltd-profilehttps://nohat.cc/flower-clip-art/6481725316136960-201812162124.html <https://www.shutterstock.com/image-vector/flower-clip-art/6481725316136960-201812162124.html>



(a) State TWO methods of selecting new employees.

1 _____

2 _____

[2]

(b) Explain THREE reasons why Denby trains its production employees.

1 _____

2 _____

3 _____

[6]

[3]

(d)

(i) Analyse ONE impact on Denby of a shareholder objective.

[3]

[3]

(iii) Recommend whether Denby should focus more on the objectives of shareholders OR the objectives of customers. Give a reason for your answer.

[3]

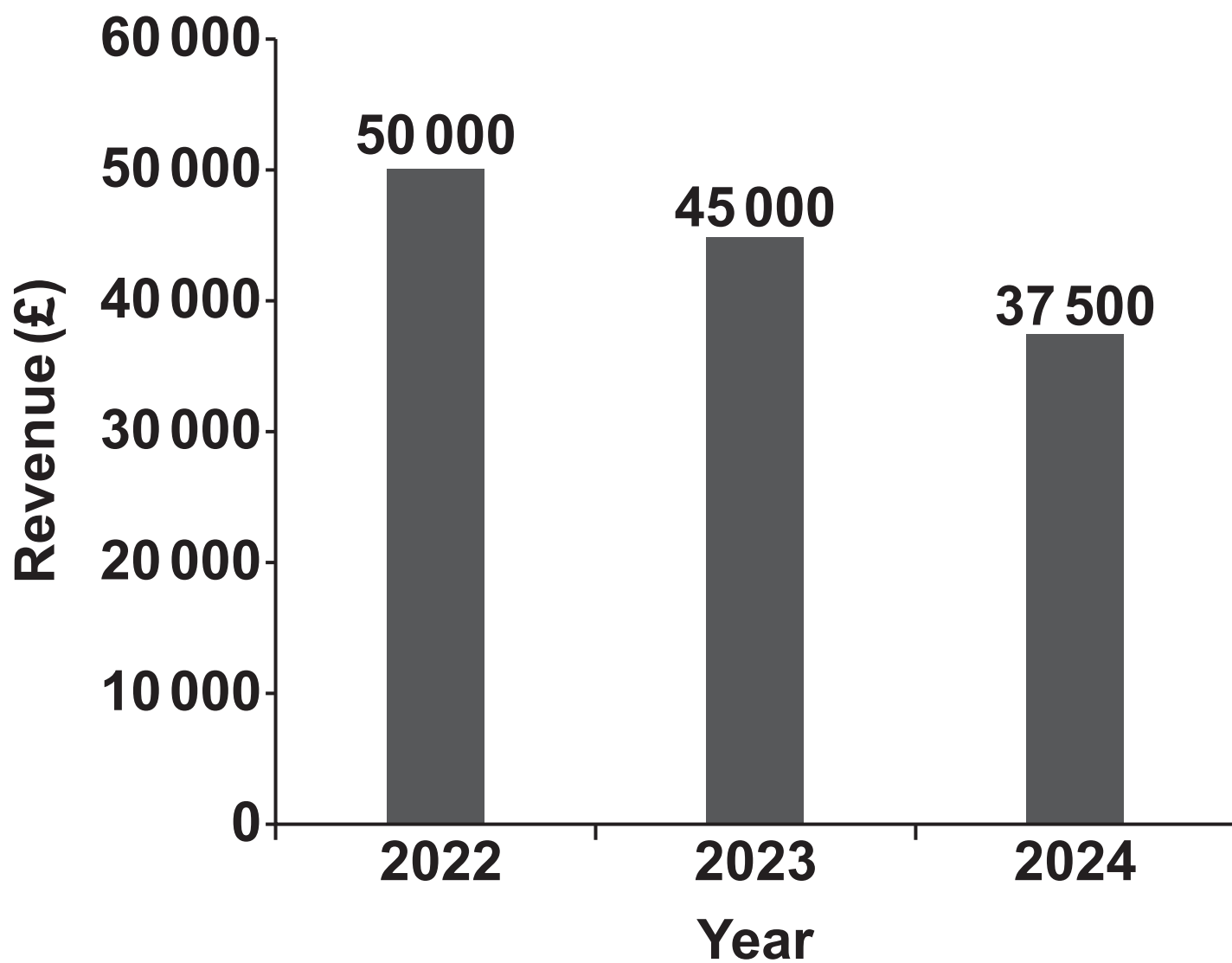
BLANK PAGE

TEXT 3

Shropshire Fruit Farm

OCR is aware that third party material appeared in this exam but it has not been possible to identify and acknowledge the source. Item removed due to third party copyright restrictions.





(a) Identify ONE way of communicating in a business.

_____ **[1]**

(b) Analyse TWO advantages for SFF of employee retention. [6]

1 _____

2

- (c) Mei and Felix have been reviewing the balance of full-time and part-time employees at SFF.**
- (i) Analyse ONE advantage for SFF of recruiting each type of employee. [6]**

Full-time employees

Part-time employees

(ii) Recommend whether it is best for SFF to recruit full-time OR part time employees. Give a reason for your answer.

[3]

[illegible]

[illegible]

END OF QUESTION PAPER

BLANK PAGE



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) 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.