

Please write clearly in block capitals.

Centre number

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Candidate number

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Surname

Forename(s)

Candidate signature

I declare this is my own work.

AS BUSINESS

Paper 2 Business 2

Friday 26 May 2023

Afternoon

Time allowed: 1 hour 30 minutes

Materials

For this paper you must have:

- the Insert (enclosed)
- a calculator.

Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions.
- You must answer the questions in the spaces provided. Do not write outside the box around each page or on blank pages.
- If you need extra space for your answer(s), use the lined pages at the end of this book. Write the question number against your answer(s).
- Do all rough work in this answer book. Cross through any work you do not want to be marked.

For Examiner's Use	
Question	Mark
1	
2	
3	
4	
5	
6	
7	
8	
TOTAL	

Information

- The maximum mark for this paper is 80.
- The marks for questions are shown in brackets.



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Answer **all** questions.

Do not write outside the box

Read the **source** in the **Insert**.

0 1

Figure 1: Global balloon market values

2020	2021	2022
\$227 million	\$260 million	\$287 million

The UK balloon market accounted for 25% of the global market in 2020 and 30% of the global market in 2022.

Using **Figure 1**, calculate the percentage increase in the size of the UK balloon market between 2020 and 2022.

Give your answer to **two** decimal places.

[3 marks]

Extra space



0 2

Do not write
outside the
box**Figure 2:** BB financial data for 3000 units

3000 units sold	
Total revenue	£105 000
Total fixed costs	£5 700
Total variable costs	£17 250

Using **Figure 2**, calculate the total contribution if BB only sells **1000 units**.

[3 marks]

Extra space

3

Turn over for the next question

0 3

Turn over ►

0 | 3 The price elasticity of demand for BB's products is -0.5 .

Explain **one** benefit to BB of operating in the market with this price elasticity of demand value.

[4 marks]

Extra space _____

4



0 4

Analyse the impact on BB if it decides to outsource the catering function of the business.

[9 marks]

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Extra space _____

9

Turn over ►



0 | 5

Analyse the impact on BB's financial performance if it decides to take the contract with the hotel.

[9 marks]

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Extra space



0 | 6 Zoe is considering employing a manager with a 'produce or perish' style of management.

To what extent is this the right management style for BB to become more successful?

[16 marks]

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16



0 | 7

BB needs to raise finance to fund the new warehouse.

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Do you think using a bank loan or venture capital would be the better option? Justify your answer.

[16 marks]



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Extra space _____

16



0 | 8

‘For **all** businesses, external factors are more important than internal factors when setting marketing objectives.’

To what extent do you agree with this statement?

[20 marks]

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Turn over ►



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20

END OF QUESTIONS



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ANSWER IN THE SPACES PROVIDED**



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Question number	Additional page, if required. Write the question numbers in the left-hand margin.



Question number	<p style="text-align: center;">Additional page, if required. Write the question numbers in the left-hand margin.</p>
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1 6



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