



To be completed by the examiner	Mark
Section 1	
Section 2	
Section 3	
TOTAL MARK	

NCFE Level 1/2 Technical Award in Business and Enterprise (603/2955/5)

Unit 01 Introduction to business and enterprise

Paper number: **SAMPLE**

Sample 2018

9.30am – 11.00am

Time allowed: 1 hour 30 minutes

Learner instructions

- Use black or blue ink.
- Answer **all** questions.
- Read each question carefully.
- You **must** write your responses in the spaces provided.
- You may do rough work in this answer book. Cross through any work you do not wish to be marked.
- All of the work you submit **must** be your own.

Learner information

- The marks available for each question are shown in brackets.
- The maximum mark for this external assessment is 80.

Please complete the details below clearly and in BLOCK CAPITALS

Learner name _____

Centre name _____

Learner number

Centre number

Do not turn over until the invigilator tells you to do so.

Section 1

This section has a possible 8 marks.

We recommend that you spend 10 minutes on this section.

Answer **all** questions in the spaces provided.

1 Which **one** of the following is an entrepreneurial motivation?

[1 mark]

A Confident

B Determined

C Financial

D Initiative

Answer _____

2 Which of the following is **not** a business legal structure?

[1 mark]

A Franchise

B Government

C Partnership

D Sole Trader

Answer _____

3 Which **one** of the following is an internal stakeholder?

[1 mark]

A Employees

B Local Community

C Shareholders

D Suppliers

Answer _____

4 Which **one** of the following is **not** a pricing strategy?

[1 mark]

- A Cost-plus
- B Demand
- C Penetration
- D Price skimming

Answer _____

5 Which **one** of the following is a stage of the product lifecycle?

[1 mark]

- A Advertising
- B Decline
- C Manufacturing
- D Research

Answer _____

6 NCFE Fashions sell high quality clothes. The sales of their clothes have fallen dramatically. Which **two** of the following are product lifecycle extension strategies that the business could use to increase its sales?

[2 marks]

- A Introduce 'limited edition' products
- B Reduce utility costs
- C New advertising campaign
- D Reduce liabilities
- E Staff redundancies

Answer _____ and _____

7 Which **one** of the following is an example of primary research? [1 mark]

- A Government reports
- B Internet blogs
- C News articles
- D Questionnaires

Answer _____

SAMPLE

Section 2

This section has a possible 51 marks.

We recommend that you spend 50 minutes on this section.

Answer **all** questions in the spaces provided.

8 Describe **two** features of a private limited company (Ltd).

[4 marks]

1 _____

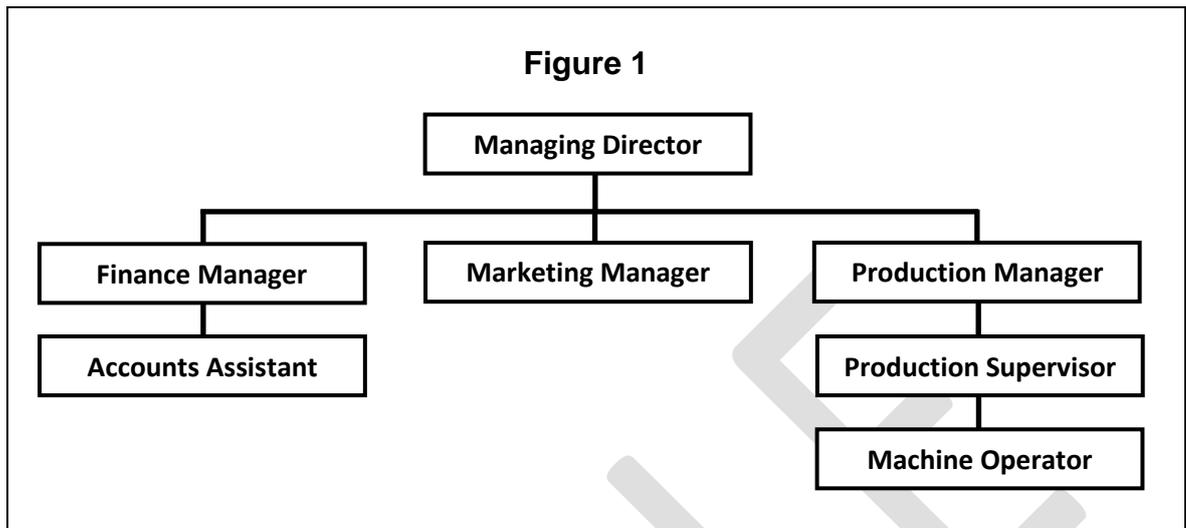
2 _____

9 (a) Identify **one** characteristic of 'delaying'.

[1 mark]

Please turn over for the next question.

Figure 1 shows the organisation chart of a small business.



9 (b) Using **Figure 1**, explain the terms **chain of command** and **span of control**. [4 marks]

Chain of command _____

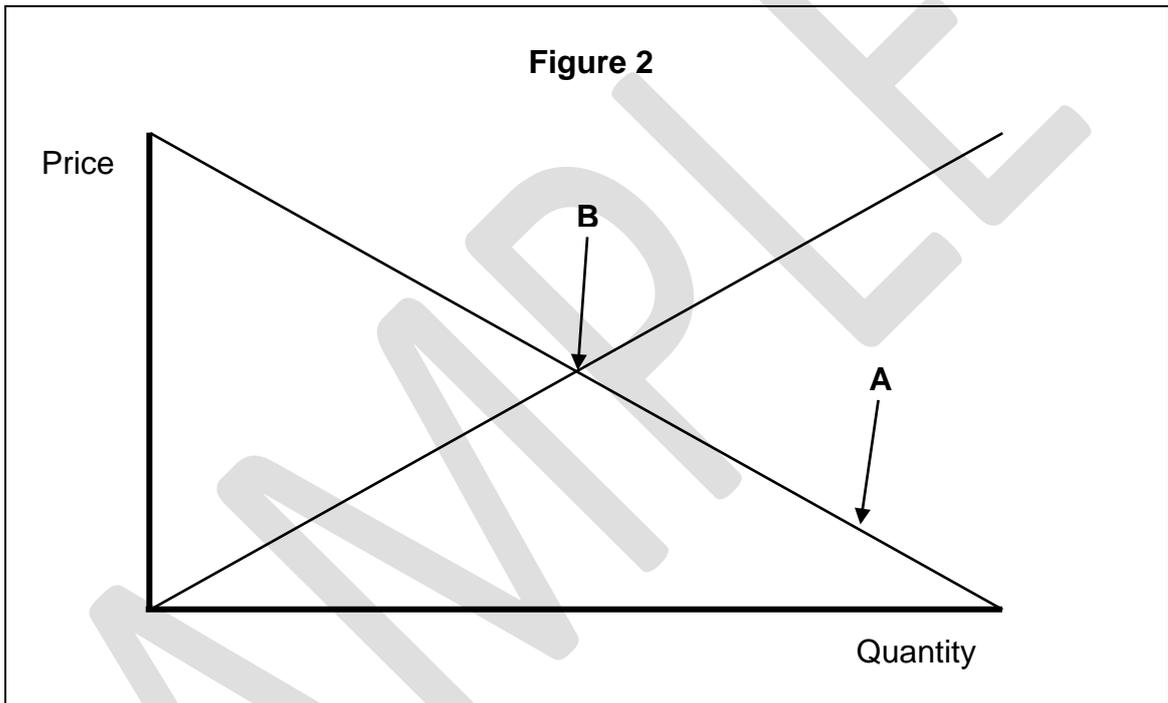
Span of control _____

10

Analyse **one** benefit to a business of successfully engaging their stakeholders.

[2 marks]

Figure 2 shows a supply and demand diagram.



11 (a) Using **Figure 2**, identify the parts of the supply and demand diagram labelled **A** and **B**.

[2 marks]

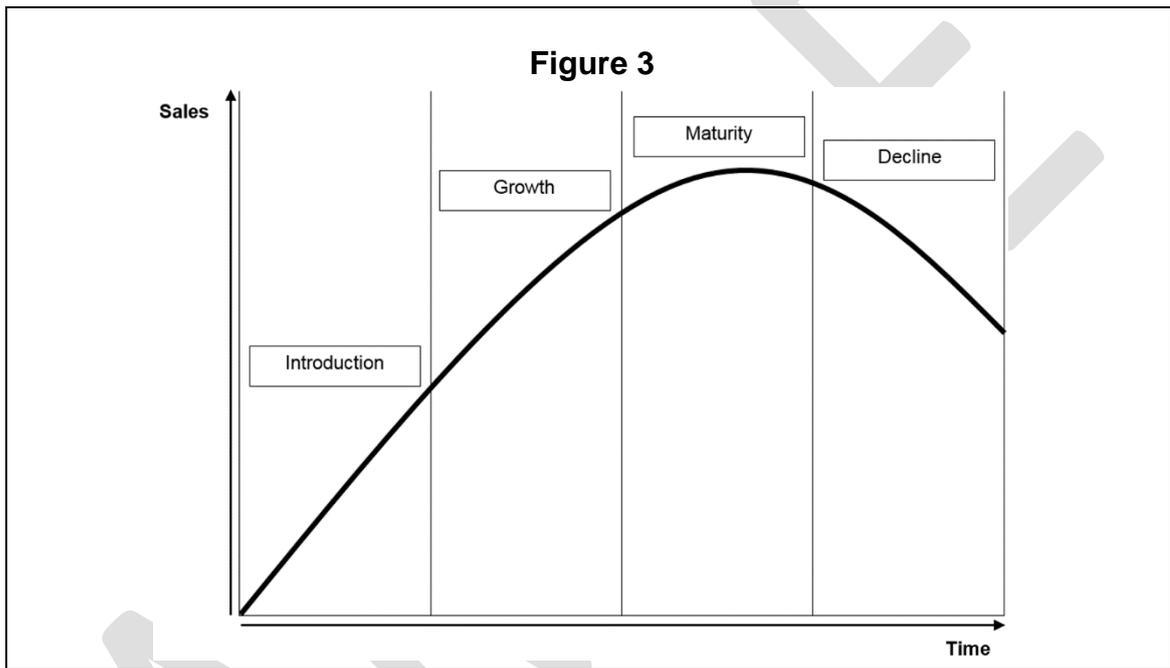
A _____

B _____

11 (b) Analyse why a business might use a 'loss leader' pricing strategy.

[4 marks]

Figure 3 shows the product life cycle. NCFE Fashions are a new clothes manufacturer and retailer and their products are at the introductory stage.



12 (a) Identify **one** characteristic of a product that is in the introductory stage of the product life cycle.

[1 mark]

- 13 (b) When NCFE Fashions decide where to locate they will conduct market research. The information that will be gathered can be categorised as **qualitative** and **quantitative**.

Compare these two types of data and how useful each type would be for NCFE Fashions when deciding where to locate their two new shops.

[4 marks]

- 14 (a) To compete with NCFE Fashions Muhammed is setting up a new fashion and clothes alteration business. He needs to know what competitor businesses there are locally, what services they provide and how much they charge. He also needs to know the opinions of the local community on his potential new business.

Explain to Muhammed what market research activities he should carry out to discover this information.

[4 marks]

14 (b) It is likely that Muhammed will be operating his business in the mass market. Explain why Muhammed would benefit from operating in a mass market.

[3 marks]

15 In response to the new competitor NCFE Fashions have started to make a range of clothes aimed at children aged 1 to 2 years. This market is very competitive but profitable.

Analyse **two** benefits to NCFE Fashions from adopting a 'Total Quality Management' (TQM) for their clothes production.

[4 marks]

Please turn over for the next question.

16

Explain **two** benefits to NCFE Fashions of ensuring that they provide good levels of customer service.

[4 marks]

17

Outline the theory of motivation as described by Mayo in his Human Relations theory.

[2 marks]

18

Explain how **two** external influences affect the operations of NCFE Fashions.

[4 marks]

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SAMPLE