

# Past exam paper questions – Topic 1.2

Q1.

## SECTION B

Answer ALL questions.

Look at Figures 1 and 2, read the following extract carefully, then answer Questions 4, 5 and 6.

Write your answers in the spaces provided.

Neil and Sue Chatterton own and run *Meringue* bakery and cafe. This is located close to a town centre and has lots of passing trade. *Meringue* produces high-quality bread and pastries using traditional methods and high-quality ingredients. Since opening 12 months ago sales have grown strongly. At busy times a queue builds up at the counter as customers wait to pay. Online reviews indicate that this is something that needs to improve.



Figure 1

Neil and Sue are now planning to make greater use of technology to promote the business, and to reduce the time that customers have to wait to pay their bills.

The website has been redesigned to allow customers to order their food before they arrive at the cafe. A contactless payment system will allow customers to pay securely by tapping their smart phones on a reader.

Figure 2 shows a TripAdvisor® review for *Meringue*:



Figure 2

Look at Figures 1 and 2, read the extract carefully, then answer the question.

As a result of the queues in the shop, Neil and Sue have decided to implement a contactless payment system at *Meringue*.

Outline **one** impact on *Meringue* of lengthy queues as customers wait to pay. (2)

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(Total for question = 2 marks)

**Q2.**

Answer the question with a cross in the boxes you think are correct ☒ . If you change your mind about an answer, put a line through the box ~~☒~~ and then mark your new answer with a cross ☒ .

Which **two** of the following are examples of primary market research?

Select **two** answers:

- A** Internet research
- B** Market reports
- C** Customer survey
- D** Government statistics
- E** Focus group

(2)

**(Total for question = 2 marks)**

**Q3.**

Explain **one** benefit to a business of using a market map.

(3)

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**(Total for question = 3 marks)**

**Q4.**

Explain **one** disadvantage to a business of operating in a competitive environment.

(3)

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**(Total for question = 3 marks)**

Q5.

Look at Figures 4, 5 and 6, read the extract carefully, then answer the question.

Look at Figures 4, 5 and 6, read the following extract carefully, then answer Question 7.

Write your answers in the spaces provided.

Sally is a fitness instructor at a local sports centre (Figure 4). She is now considering setting up her own business as a personal trainer (Figure 5). Sally's research shows that people are more interested in health and fitness. Although there are a number of gyms in her local area, there are not many personal trainers.



Figure 4



Figure 5

	Price per hour session	Strength	Weakness
Competitor 1: 'Vitality' personal instructor	£22	Experienced personal trainer with good local reputation	Operates in only a small geographical area
Competitor 2: 'Bootcamp' personal trainer	£220 for an 11-session block	Ex-soldier using military training methods	Limited number of training methods used

Figure 6

Sally will charge £25 per hour. She is flexible in terms of the location of her customers and will travel within a 10-mile radius. She hopes to attract a younger market segment by using social media and online promotion. She aims to differentiate her service in a number of ways:

- Using social media to communicate directly with her customers, offering daily motivational reminders.
- Filming parts of the customer's training session and posting it online for them to evaluate their performance on their own device.

Sally is currently well paid and has saved up enough money to start up on her own. She is considering buying a franchise. There are a number of national franchise operators that she could use. However, she is concerned about the current economic climate. She has seen reports that unemployment is rising and that consumer incomes are falling.

Identify which of Sally's competitors is the most expensive per hour.

(1)

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(Total for question = 1 mark)

