

NCFE Level 1/2 Technical Award in Business and Enterprise (603/7004/X) Examined Assessment

Paper number: **Past paper**
Assessment date: **Friday 16 May 2025**

Time allowed: **1 hour 30 minutes**
Time: **1.30pm – 3.00pm**

Learner instructions

- Use black 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.
- If you use a supplementary answer booklet, you must add your learner name, learner number and centre number to the front cover of the booklet. Insert your supplementary answer booklet inside this question paper at the end of your test.
- 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 paper is **80**.
- You may use a calculator.

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

Please complete / check your details below

Learner name:

Centre name:

Learner number:

Centre number:

Section A

This section has a possible **19** marks.

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

- 1** Which **one** of the following defines 'span of control'?

[1 mark]

- A** The number of directors employed in a business
- B** The number of employees a manager oversees in a business
- C** The number of layers of hierarchy in a business
- D** The total number of employees currently in a business

Answer _____

- 2** Which **one** of the following is an advantage of buying a franchise rather than setting up as a private limited company?

[1 mark]

- A** Reduces carbon footprint
- B** Royalty payments are made
- C** Set up costs must be paid
- D** The brand is established

Answer _____

- 3 Which **one** of the following stages of the product life cycle is reached when a product is established and has steady sales?

[1 mark]

- A Decline
- B Growth
- C Introduction
- D Maturity

Answer _____

- 4 State **two** advantages of operating a business as a partnership.

[2 marks]

1 _____

2 _____

- 5 ZQL own 10 hair salons in the United Kingdom (UK). This is more than other similar salons.

ZQL do not offer hair cutting services. They **only** offer wash and blow-dry services.

Demand for wash and blow-dry services is increasing each year.

Explain the star section of the Boston Matrix in relation to ZQL.

[2 marks]

- 6 ZQL carried out face to face interviews with 20 of their customers, all aged under 30.

The questions were written by a ZQL employee.

Explain **one** reason why ZQL's face to face interviews may produce unreliable data.

[2 marks]

- 7 (a) ZQL are considering a new location for a salon.

Transport links are important to consider when deciding on a new location.

Identify **three** other factors ZQL should consider when deciding on a new location.

[3 marks]

1

2

3

- 7 (b) Discuss the importance of transport links for ZQL when considering a new location for a salon.

[3 marks]

- 8 ZQL have a special offer each week.

They know that 99% of their customers use social media.

Explain **two** advantages to ZQL using social media as their main method of promotion.

[4 marks]

Section B

This section has a possible **21** marks.

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

- 9** Which **one** of the following is an impact on a business from introducing Kaizen? [1 mark]

- A** Increased customer complaints
- B** Increased labour turnover
- C** Reduced consumer demand
- D** Reduced unnecessary waste

Answer _____

- 10** Which **one** of the following is a level in Maslow's hierarchy of needs? [1 mark]

- A** Job satisfaction
- B** Responsibility
- C** Self-actualisation
- D** Working conditions

Answer _____

11 Which **one** of the following is a way to measure customer service?

[1 mark]

- A Brand awareness data
- B Employee turnover data
- C Repeat business data
- D Staff engagement data

Answer _____

12 Identify **three** impacts of a business introducing just-in-time (JIT).

[3 marks]

1 _____

2 _____

3 _____

13 State **two** advantages to a business when using internal training.

[2 marks]

1 _____

2 _____

- 14 (a)** An online food delivery business has recently expanded and requires a marketing manager.

Explain **one** advantage to the business of using online job websites to fill the marketing manager vacancy.

[2 marks]

- 14 (b)** Online job websites are a method of external recruitment that the online food delivery business could use to fill vacancies.

Discuss **one** other method of external recruitment they could use.

[2 marks]

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Past Paper

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Please turn over for the next question.**

- 15** Slice Haven are a pizza manufacturer that use flow production.

They have five competitors.

Slice Haven's aim is to produce pizzas at a low-unit cost.

The factory is old, and machinery breakdowns are increasing.

Explain **one** advantage and **one** disadvantage of Slice Haven using flow production to make their pizzas.

[4 marks]

Advantage

Disadvantage

- 16** Slice Haven are introducing quality assurance on their production line to ensure food safety standards are met.

Explain **one** advantage of Slice Haven using quality assurance to maintain the quality of their pizzas.

[2 marks]

- 17** The directors of Slice Haven plan to install new, advanced machinery.

Discuss why Slice Haven should use external training for using the new, advanced machinery.

[3 marks]

Please turn over for the next section.

Section C

This section has a possible **22** marks.

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

- 18** Which **one** of the following is a section in the executive summary of a business plan?

[1 mark]

- A** Cash flow forecast
- B** Distribution methods
- C** Raw materials supplier
- D** Target market

Answer _____

- 19** Which **one** of the following is an example of external growth?

[1 mark]

- A** Developing new products
- B** Entering new markets
- C** Merging with another business
- D** Updating current products

Answer _____

20 Which **one** of the following terms is used in a cash flow forecast?

[1 mark]

- A** Current assets
- B** Expenses
- C** Gross profit
- D** Opening balance

Answer _____

21 State **two** diseconomies of scale a business may face as it expands.

[2 marks]

1 _____

2 _____

Please turn over for the next question.

- 22 (a)** The table below is an extract from the statement of financial position of a business for 2024.

	2024
	£'000
Current assets (including inventory)	10
Current liabilities	8

In 2023 the current ratio was 1.8:1

Use the formula: current assets/current liabilities

Calculate the current ratio for 2024.

[2 marks]

- 22 (b)** A small business is struggling to pay back a bank loan due to its liquidity being poor.

Explain why a business may have a change in liquidity from year to year.

[2 marks]

23 (a) Twiggs PLC make dog food.

Twiggs plan to apply for a bank loan to replace inefficient equipment.

Identify **one** impact on Twiggs if the bank increases interest rates on the bank loan.

[1 mark]

23 (b) Twiggs are now considering using retained profits to replace inefficient equipment instead of the bank loan.

Discuss how Twiggs may be affected if the government increases corporation tax.

[2 marks]

Please turn over for next question.

- 24 (a)** Twiggs are aware minimum wage is an economic external influence that may affect them.

Identify **two** other economic external influences that may affect Twiggs.

[2 marks]

1 _____

2 _____

- 24 (b)** Twiggs have made a loss over the last two years.

Explain how Twiggs may be affected if the government increases minimum wage.

[2 marks]

25 (a) Twiggs only sell dog food in the UK.

They are considering a joint venture.

State **two** other methods of external growth that Twiggs could consider.

[2 marks]

1 _____

2 _____

25 (b) Twiggs are considering a joint venture with a German business for three years.

This business only manufactures dog food in Germany.

The market for dog food is growing in Germany.

Give **one** advantage and **one** disadvantage of a joint venture to Twiggs.

[2 marks]

Advantage _____

Disadvantage _____

25 (c) Recommend whether Twiggs should go ahead with the joint venture.

[2 marks]

Section D

This section has a possible **18** marks.

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

- 26** Xlent Ltd manufacture petrol engines in two factories, one in Birmingham and one in Leeds.

Sales are falling and a loss was made in 2024.

Xlent have a £2 million bank loan.

They plan to close the Birmingham factory, selling the land to a housing developer.

Information about Birmingham

Unemployment rates are high
An increasing number of factories are closing each year
Xlent are one of the biggest employers in Birmingham

Analyse the impact of the factory closure on **three** stakeholder groups.

[9 marks]

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27 Xlentt purchase high quality car parts from UK suppliers.

Cheaper, but lower quality, parts can be bought from China.

The UK government plans to introduce a tariff on Chinese imports.

Xlantt have three main competitors.

Xlantt's cash flow forecast predicts a cash flow problem for the first six months of 2026.

They are considering two options to tackle the cash flow problem:

- buy parts from China
- arrange an overdraft.

Discuss the possible impacts of the **two** options on Xlentt's cash flow **then** decide which option is best for them.

[9 marks]

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