

## Additional Term 1 test

### SECTION A

#### QUESTION 1

- 1.1 Four options have been provided as possible answers to the following question. Choose the answer and write only the letter (A-D) next to the question number.

1.1.1	The availability of human skills is a factor that affects the entrepreneurs ...	
	A	choice of business idea
	B	choice of product
	C	production costs
	D	pricing strategy
1.1.2	A ... is a plan that assists the entrepreneur to identify possible weak areas and the strengths of the business idea.	
	A	product specification
	B	marketing plan
	C	financial feasibility study
	D	business plan
1.1.3	A detailed, written description of the item than includes weight, size, what it looks like, materials used in the manufacture, how it is made etc., is called a ...	
	A	marketing strategy
	B	'p' for product in the marketing mix
	C	product specification
	D	product strategy
1.1.4	1. A well known designer designs and makes a shirt especially for you. It can be classified as	
	A	a fad
	B	a classic
	C	Haute couture
	D	prevailing fashion
1.1.5	An example of a garment that represents a classic fashion	
	A	Mini skirt
	B	Blue denim jeans
	C	Beaded jewellery
	D	Large metallic handbags

(5)

- 1.2 Give one term for each of the following:
- 1.2.1 Clothes that imitate the style of a previous era.
- 1.2.2 A document drawn up by a company to specify the type of dress to be worn by employees.
- 1.2.3 A plan that describes all the money that is needed to start a business.
- 1.2.4 A plan that describes the goals for setting a specific selling price.
- 1.2.5 A plan that ensures the right product is sold to the right people, at the right price in the right place. **[10]**

## SECTION B

### QUESTION 2: ENTREPRENEURSHIP

Shameema has a business idea that she would like to follow. She had done market research and put together a business plan. She has included a marketing strategy, financial feasibility strategy and decided to form a partnership with her sister, Tanuka. She and Tanuka have drawn up a product specification detailing exactly how the product will be made and what it will look like. They have designed a label and packaging using recycled products. Tanuka has studied accounting and will keep control over the pricing, costs and sales. Shameema has the skills to make the product and train staff to assist. She will be responsible for quality control of raw materials and the finished article.

Brian is a qualified motor mechanic and is tired of doing all the work so that his boss can get rich. He thinks he will leave and start his own motor bike repair business using his pension he will receive from his current job. He has never managed a business before and has not been in a management position. Brian says he will employ two assistants. He knows that Quickbooks is a computerised accounting package that is cheap to purchase and easy to use. He is convinced all his customers will follow him.

- 2.1 List THREE important research plans that a person must complete before they start business to make sure that it will be successful. (3)
  - 2.2 Explain the importance of packaging to the consumer and to the business. (2 x 4) (8)
  - 2.3 Explain why a financial feasibility study is important for both these businesses. (5)
  - 2.4 Analyse and discuss the sustainable profitability of each of the above businesses. (10)
- [26]**

### QUESTION 3: CLOTHING



- 3.1 Explain why the pants and/or the T-shirt worn by one of the young people represents both classic fashion and retrospective fashion. Include explanations of the two terms 'classic' and 'retrospective' in your answer. (7)
  - 3.2 The dress worn by the girl on the left is an example of a fad. It will be in fashion for his summer (about 12 weeks) only. Draw the fashion cycle for the dress. Include a heading and show the number of weeks it will be in fashion on your graph. (7)
- [14]**

**Grand total: 55 marks**

## Additional Term 1 test memorandum

### SECTION A

#### QUESTION 1

- 1.1.1 B – choice of product ✓
- 1.1.2 D – business plan ✓
- 1.1.3 C – Product specification ✓
- 1.1.4 C – Haute couture ✓
- 1.1.5 B – Blue denim jeans ✓
  
- 1.2.1 Retrospective fashion ✓
- 1.2.2 Dress-code policy ✓
- 1.2.3 Financial feasibility study ✓
- 1.2.4 Pricing strategy ✓
- 1.2.5 Marketing strategy ✓

### SECTION B

#### QUESTION 2

- 2.1 Business plan, product specification, marketing plan, financial feasibility plan (3 x 1 marks)
- 2.2 Packaging is important for a business because it:
  - protects the product from damage in transit and in storage ✓
  - it can be a silent salesman on the store shelf ✓
  - Packaging is important for a consumer because:
    - they can easily identify the product and manufacturer ✓
    - it identifies a product that they know from experience has consistent quality ✓
    - speeds up shopping as the product is easily identifiable ✓
- 2.3 A financial feasibility study is important as it:
  - calculates the start up capital needed for a business ✓
  - works out exactly what the product or service will cost ✓
  - helps to choose a mark up that will cover the costs and still leave a profit ✓
  - identifies the costs that are too high and need to be trimmed e.g. fixed costs or overheads ✓
  - calculates the minimum no of products that must be made and sold in order to make a profit. ✓
- 2.4 Shameema and Tanuka will have a sustainable and profitable business because they ✓
  - have done a product specification to ensure their quality and product are consistent ✓
  - done market research to identify their target market ✓
  - drawn up a financial feasibility study to ensure they have sufficient money to start and sustain their business. ✓
  - identified specific roles for each of the partners so that the business will run efficiently ✓
  - identified the important of costs and control over finances ✓

(max 5)

Brian will not have a sustainable business. ✓ He:

  - has no experience in management or running a business ✓
  - is using emotion rather than research to start a business ✓
  - has presumed his customers will follow him without research who his target market will be ✓
  - has not done any research on the amount of money that he will need to start and sustain his business. ✓

- has not done sufficient research into what the accounting program Quickbooks can do and how it will assist him to manage his money✓
- has not researched the skills needed in his assistants and how much this will cost him✓
- has not done a marketing plan, business plan or a financial feasibility study to check whether his idea will be successful✓ (max 5)

### QUESTION 3

- 3.1 Both ✓ are classics - characterised by simplicity ✓ last for many seasons ✓ the style/fabrics ✓ remain popular over a long period ✓ The skinny jeans/ jeans with holes is an example of a retrospective fashion ✓ imitate the style of a previous era/ been in fashion before ✓ (7)
- 3.2 Heading ✓ X axis ✓ Y axis ✓ 12 weeks shown✓ peak between 5 and 7 weeks✓ sharp growth ✓ and decline ✓ (7)

**Grand total: 55 marks**