1.9 Growing the business: 10-minute Pack

AQA 8132 · Calculator allowed · about 10 minutes

Total Marks

Name: _____ Date: ____ / ____ / _____

Study the case study below, then answer ALL questions. Show your working for any calculation. In your longer answers, use evidence from the case study and relevant business terminology.

1 Which one of the following is an example of external growth?

- ☐ A) Opening a new company-owned shop in another town
- ☐ B) Increasing online advertising spending
- ☐ C) Merging with another business
- ☐ D) Training staff to improve productivity

(Total for Question 1 is 1 mark)

2 State two features of organic (internal) growth.

(Total for Question 2 is 2 marks)

3 State two features of external growth.

(Total for Question 3 is 2 marks)

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4 Calculate the percentage growth in Marlow Outdoor Gear's turnover between its first year (£180,000) and last year (£540,000). Show your working.

(Total for Question 4 is 2 marks)

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5 The finance team like Option B (franchising) because it needs less of Marlow Outdoor Gear's own money.

Which one of the following best explains why?

- ☐ A) Franchisees invest their own money to open and run new shops
- ☐ B) The government pays a grant for every franchise opened
- ☐ C) Banks always lend more money to a franchise than to a company-owned shop
- ☐ D) Franchise fees are paid to Marlow Outdoor Gear by the bank

(Total for Question 5 is 1 mark)

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Mark scheme · 1.9 Growing the business: 10-minute Pack

Question 1

C cao **B1**

Answer: C

Question 2

one acceptable feature, e.g. growth is financed from the business's own profits, savings or borrowing, rather than by joining another business **B1**

a second acceptable feature, e.g. growth is usually more gradual than external growth, such as opening new company-owned outlets one at a time **B1**

Answer: Any two, e.g. financed by the business's own resources; usually more gradual than external growth.

Question 3

one acceptable feature, e.g. achieved by joining with another business, such as through a merger or takeover **B1**

a second acceptable feature, e.g. can allow much faster growth in size/market share than organic methods **B1**

Answer: Any two, e.g. achieved by joining with another business (merger/takeover); can allow much faster growth than organic methods.

Question 4

(540,000 - 180,000) / 180,000 seen, or equivalent (e.g. 540,000 / 180,000 = 3 seen) **M1**

200% cao **A1**

Answer: 200% increase.

Question 5

A cao **B1**

Answer: A

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