

## SPECIMEN PAPER

## UNIT 1 - AN INTRODUCTION TO RETAIL



Surname		Other Names	
Centre Number		Candidate Number	
Candidate Signature			

For Examiner's Use
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Level 1 Diploma Principal Learning  
Specimen Paper

# Retail Business

# RTB1U1

## Unit 1 An introduction to retail

For this paper you must have a pen with blue or black ink.  
You may use a calculator.

You will need no other materials.

Time allowed: 1 hour

### Instructions

- Use a blue or black ink or ball-point pen.
- Fill in the boxes at the top of this page.
- Answer all questions.
- Answer the questions in the spaces provided.
- If there is not enough space for your answer(s), use the extra page(s) at the end of this book. If you do this, make sure that you show the number(s) of the question(s) you are answering.

### Information

- The maximum mark for this paper is 48.
- The marks for questions are shown in brackets.
- You are reminded of the need for good English and clear presentation in your answers.

For Examiner's Use			
Question	Mark	Question	Mark
1		6	
2		7	
3		8	
4		9	
5		10	
Total (Column 1) →			
Total (Column 2) →			
<b>TOTAL</b>			
Examiner's Initials			

**Question 1**

Name **three** retail sub-sectors.

- i.....
  - ii.....
  - iii.....
- (3 marks)

**Question 2**

A large Swedish retail chain is looking to expand into the UK market and wants to find out about the key UK businesses that would be its competitors.

- a. Identify **one** reason why a retail business might be called a ‘key’ business.  
.....  
(1 mark)

The Swedish retailer looks at market data in *Retail World* magazine.

- b. State whether the retailer is using primary or secondary research.  
.....  
(1 mark)

Total 2 marks

**Question 3**

Shamim and her brother are discussing the advantages and disadvantages of online retailing. Shamim believes that shopping online is a good thing but her brother is not convinced.

- a. Explain **one** positive effect of online retailing on individuals, which Shamim might tell her brother about.  
.....  
.....  
.....  
(3 marks)

- b. Explain **one** negative effect of online retailing on individuals, which Shamim’s brother might tell her about.  
.....  
.....  
.....  
(3 marks)

Total 6 marks

**Question 4**

Explain **one** financial effect which the opening of a large retail outlet on the High Street might have on the local area.

.....  
.....  
.....

(3 marks)

**Question 5**

A supermarket chain has decided it needs to show its customers how it is responding to environmental concerns.

Briefly describe **one** environmental issue in retail that concerns customers in the UK today which the supermarket chain might consider.

.....  
.....  
.....

(2 marks)

**Question 6**

Alice loves animals and wants to avoid buying products which have a negative impact on animals.

a. Name **one** product which Alice may need to think carefully about before buying, in terms of avoiding harm to animals.

.....

(1 mark)

b. Briefly describe the ethical issue that Alice should consider before buying this product.

.....  
.....  
.....

(2 marks)

Total 3 marks

**Question 7**

A retailer with a chain of large outlets across the UK is opening a new store and recruiting a team of staff.

- a. Describe **one** job role **not** based in the retail outlets that will already exist in the business.

.....  
.....

(2 marks)

- b. Describe **one** job role that will be available in the new outlet.

.....  
.....

(2 marks)

- c. Identify **two** statutory employment rights that will apply to all staff, wherever they work in the business.

- i.....
- ii.....

(2 marks)

Total 6 marks

**Question 8**

Gareth has just completed a Foundation Diploma in Retail Business. He wants a career in logistics and is looking for an entry level job to begin with.

- a. Describe **one** role that Gareth might consider.

.....  
.....

(2 marks)

- b. Identify **two** reasons for which Gareth might get promoted once he is employed in retail.

- i.....
- ii.....

(2 marks)

Total 4 marks

**Question 9**

Simon wishes to set up a business selling traditional and nostalgic sweets direct to customers. These are sweets that used to be sold in corner shops and newsagents across the country, but are now difficult to find or no longer widely produced. They appeal to people who remember enjoying the sweets in childhood.

Simon can sell the sweets in any quantities and combinations.



a. Using the information given, identify **two** retail channels which might be suitable for Simon's products.

i.....

ii.....

(2 marks)

b. Recommend which retail channel you would choose for Simon's products, giving reasons.

.....  
.....  
.....  
.....  
.....  
.....

(4 marks)

Total 6 marks

**Question 10**

Sarah has decided to start a small retail business selling T-shirts. She has researched the following data.

Annual cost of operating the business through a High Street outlet	£70,000
Annual cost of operating the business online	£45,000
Mark up per T-shirt	£3.50
Delivery cost per T-shirt sold online	£1.25p
Number of T-shirts Sarah will need to sell 20,000 annually to break even if she operates from a High Street outlet	20,000



Sarah wants to know whether the number of T-shirts she needs to sell annually online in order to break even will be lower, higher or the same as through a High Street shop.

- a. Calculate the number of T-shirts Sarah will need to sell annually to break even if she operates online, showing your working.

.....  
 .....  
 ..... (3 marks)

- b. Give **one** reason why operating online will not necessarily be the cheaper option for Sarah if her sales are above her break-even point.

.....  
 ..... (2 marks)

There are factors other than the data given that Sarah needs to take into consideration when deciding whether to operate from the High Street or online.

- c. Outline **one** benefit to retail businesses of selling clothing online and **one** benefit of selling clothing through a High Street outlet, in terms of increased sales.

Online.....  
 .....  
 .....  
 High Street outlet.....  
 .....

.....

(4 marks)

d. Using the information provided and your knowledge of retail channels, recommend whether Sarah should operate online or through a High Street outlet. Give reasons for your answer.

.....  
.....  
.....  
.....  
.....  
.....  
.....

(4 marks)

Total 13 marks