

Please check the examination details below before entering your candidate information

Candidate surname

Other names

Centre Number

Learner Registration Number

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Pearson BTEC Tech Award

Additional sample assessment materials for first teaching September 2022

Time 2 hours

Paper
reference

BEN03

Enterprise COMPONENT 3: Marketing and Finance for Enterprise

You must have:
Calculator

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and learner registration number.
- Answer **all** questions.
- Answer the questions in the spaces provided
– *there may be more space than you need.*

Information

- The total mark for this paper is 60.
- The marks for **each** question are shown in brackets
– *use this as a guide as to how much time to spend on each question.*

Advice

- Read each question carefully before you start to answer it.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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Answer ALL questions. Write your answers in the spaces provided.

The questions in this paper are based on the following scenario.

Scenario

AC Paddleboarding

AC Paddleboarding is a micro-enterprise owned by Azem and run with a small team of instructors. It offers outdoor stand-up paddleboarding (SUP) sessions and sells SUP equipment.

SUP participants stand on an inflatable board and use a canoe-style paddle to move through the water.



The sport is accessible to all age groups and is easily adapted to suit those with disabilities.

AC Paddleboarding operates in a competitive and growing market. It operates all year round although some months have very few sales.

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Before starting *AC Paddleboarding*, Azem completed a cash flow forecast and a break-even analysis for stand-up paddleboarding (SUP) sessions.

Figure 1 shows the break-even chart.

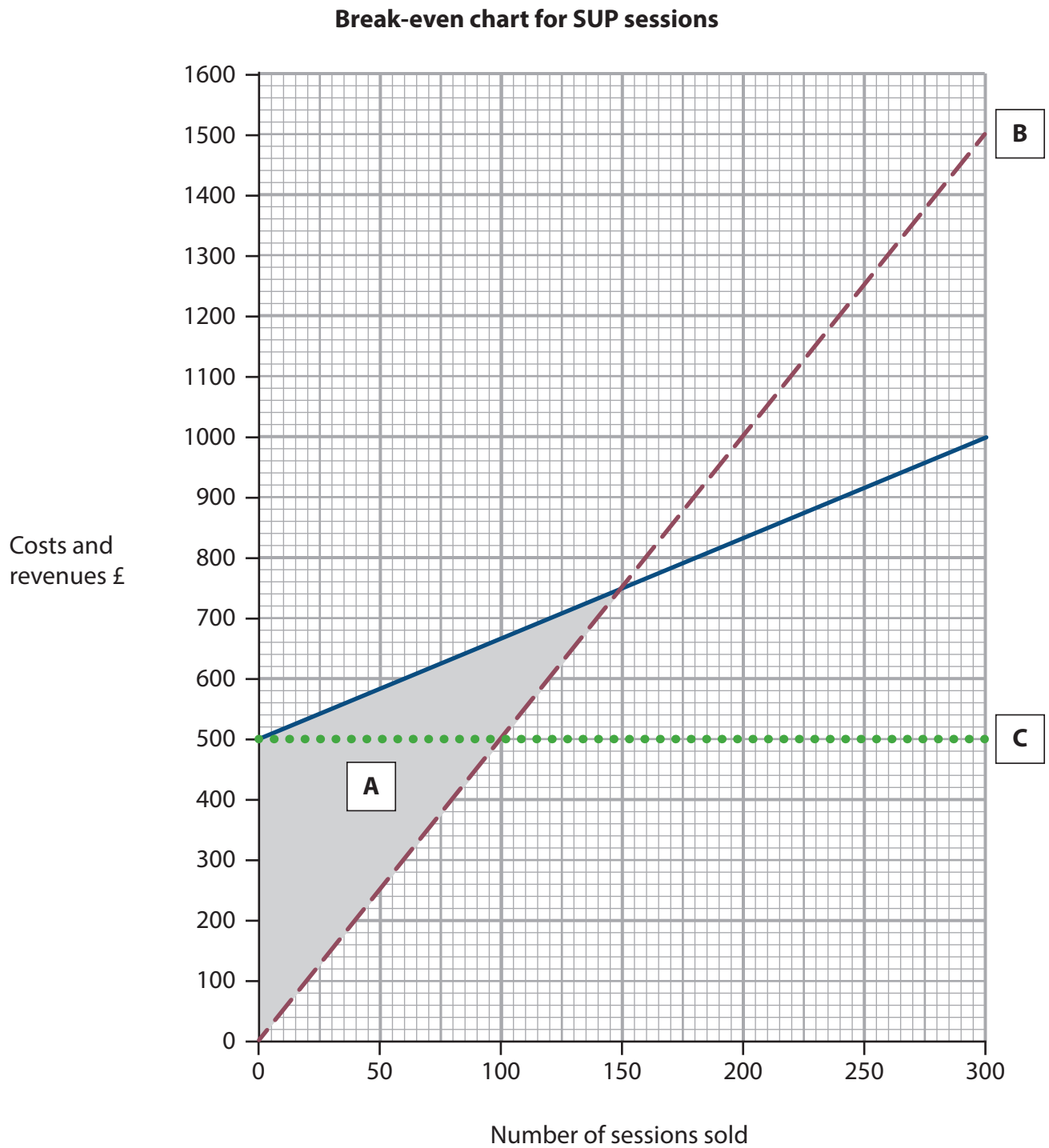


Figure 1

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1 (a) Using the data in Figure 1:

(i) Give the name of the shaded area labelled A.

(1)

(ii) Give the name of the line labelled B.

(1)

(iii) Give the name of the line labelled C.

(1)

(iv) Identify the number of sessions needed to break even.

(1)

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Azem used both internal finance and a bank loan to pay for the start-up costs of *AC Paddleboarding*.

(b) Give **two** internal sources of finance available to an enterprise when starting up. (2)

1

2

(c) Give **two** markets that enterprises trade in. (2)

1

2

(Total for Question 1 = 8 marks)

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Customer credit note

- 1 × inflatable stand-up paddleboard (SUP) @ £115.00
- 2 × lightweight SUP paddle sets @ £25.25 each

The last credit note number was 6622.

Figure 2

2 (a) Complete the credit note using the information given in Figure 2.

CREDIT NOTE					
 AC Paddleboarding Harbourside, Eastend-on-Sea ES1 3BQ tel: 0774952281		Date: 1 September		(1)	
		Credit note number			
Customer name and address:		Jan Britton 32 Orchard Close, Pengam, PC82 1FG			
Qty	Description	Unit price		Amount refunded	
		£	p	£	p
1	Inflatable SUP	115	00	115	00
2	Lightweight SUP paddle sets	25	25
Reason for credit: Wrong items delivered		Goods total	
		VAT @ 20%	
		Total credit	



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AC Paddleboarding uses a premium pricing strategy when selling its products.

- (b) Explain **one** disadvantage for an enterprise of using a premium pricing strategy when selling its products.

(2)

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AC Paddleboarding sells its SUP equipment online.

- (c) Explain **one** disadvantage for an enterprise of trading online.

(2)

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(Total for Question 2 = 9 marks)

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- 3 (a) Complete the balance sheet (statement of financial position) for AC Paddleboarding.

Balance sheet (statement of financial position) for AC Paddleboarding as at 1 September		
	£	£
Fixed (non-current) assets		
Van	10 000	
Paddleboarding equipment	8 000	
	 (1)
Current assets		
Inventory	4 000	
Trade receivables	2 000	
Cash and cash equivalents	5 000	
	 (1)
Current liabilities		
Trade payables	1 250	
Working capital (net current assets)	 (1)
Long-term (non-current) liabilities		
Bank loan	10 000	
Net assets	 (1)
Equity and reserves		
Owner's equity	9 700	
Profit for the year	23 050	
Drawings by owner	15 000	
Total equity	 (1)



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AC Paddleboarding operates from a rented location at the harbour.

The owner of the harbour is increasing the rental payments.

(b) Explain **one** impact on an enterprise of an increase in rental payments.

(2)

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Azem pays the monthly bills using a debit card.

(c) Explain **one** advantage for an enterprise of using a debit card to pay its monthly bills.

(2)

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(Total for Question 3 = 9 marks)

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AC Paddleboarding sells paddleboarding equipment directly to online customers.

Figure 3 shows a forecast profit and loss account (statement of comprehensive income) for these sales.

Extract from forecast profit and loss account for paddleboarding equipment for the coming year	
	£
Estimated sales revenue	20 800
Estimated gross profit	5 200

Figure 3

- 4 (a) Using the information in Figure 3, calculate the cost of sales for the paddleboarding equipment.

(2)

Show your workings.

Cost of sales £.....



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(Total for Question 5 = 6 marks)



Azem wants to increase the amount of marketing activities *AC Paddleboarding* does.

They have made two business decisions:

- to create some above the line (ATL) promotion
- to help to pay for a local community fundraising event.

6 (a) (i) Give **one** example of above the line promotion that an enterprise could use. (1)

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(ii) Explain **one** advantage for an enterprise of helping to pay for a local community fundraising event. (2)

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Figure 4 shows the budgeted and actual expenditure and revenue figures for AC Paddleboarding for July.

(b) Complete the budget in Figure 4 by calculating the variances for July.

Show your answers using + for favourable or – for adverse.

	July Budget £	July Actual £	July Variance £ + or –	
Labour	600	750	-150	
Promotion	125	110		(1)
Materials	155	180		(1)
Sales revenue	2 000	2 300		(1)

Figure 4

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Azem may be able to get a government grant to help fund *AC Paddleboarding*.

6 (c) Explain **two** disadvantages for an enterprise of a government grant.

(4)

1

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2

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(Total for Question 6 = 10 marks)



AC Paddleboarding wants to accept contactless payments for its paddleboarding sessions and refuse any other form of payment.

- 7 (a) Explain **two** disadvantages for an enterprise of accepting only contactless payments.

(4)

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(Total for Question 7 = 10 marks)

TOTAL FOR PAPER = 60 MARKS

