1. (a) In 2012, it was reported that oil companies Esso and Shell had introduced a predatory pricing strategy for the sale of fuel in their petrol stations.  
   The **main** aim of predatory pricing is to (1)
2. Increase company profits
3. Force other companies out of business
4. Charge customers a premium price
5. Increase sales of competitors’ fuel

Answer [ ]  
(b) Explain why this answer is correct. (3)

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1. The Small Business Service of HSBC advises some of its new business clients to use cost-plus pricing.  
   (a) A new business might use cost-plus pricing because it (1)
2. Sets the correct market price
3. Considers hidden costs
4. Is easy to administer
5. Guarantees a business makes a profit  
   Answer [ ]  
   (b) Explain why this answer is correct. (3)

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1. In 2013 the worldwide supply of rice decreased by almost 15%.  
   (a) Which **one** of the following is the **most likely** reason for this (1)
2. The world price of Rice increased
3. Storms and floods across Asia destroyed crops
4. Genetically modified crops reduced loss from disease
5. The EU increased subsidies to rice farmers  
     
   Answer [ ]  
   (b) Explain why this answer is correct. (3)

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**Marvin – Mr Motivator!**

As a teenager, Marvin Burton battled with his weight. By the time Marvin left school he was 16 stone (100 kgs), so he decided to work in the fitness industry to try and help overcome his weight problem. Marvin worked in a number of roles from gym receptionist, aerobics instructor, personal trainer, to the Director of Fitness on a cruise ship – teaching and training over 2,000 passengers!

As an essential part of his professional development, Marvin studied and often undertook training in areas such as sports massage therapy, diet and nutrition and anatomy.

In 2008, Marvin started his own fitness company, Advanced Conditioning Ltd. He often worked with professional sports people on a one-to-one basis. Marvin also ran group exercise classes. Since much of his work required him to be flexible, he set up an office at home. When Marvin needed a fitness studio or large equipment for his clients, he simply hired it, often from well-known health club chains, such as Virgin Active.

Since 2011, Marvin has teamed up with four other self-employed professional sports trainers, a masseur and a chef, to provide exclusive well-being stay away breaks. The team, operating collectively as Fitness Retreat Ltd, hire luxury countryside venues such as The Lindens, in Dorset. The Lindens is a fabulous 18th century manor house which has a heated swimming pool, all-weather tennis courts and acres of amazing woodland and gardens – the perfect setting for a great fitness getaway.

Fitness Retreat Ltd offers its breaks across the UK for four or seven days. Those who attend learn about exercise, nutrition, motivation, recovery and general well-being. The team use well-proven methods to achieve great results in weight loss and fat burn. There have been many happy clients who achieved their targets. One client, sales manager Lucy Adamson, commented: “I wanted to lose two stone for my wedding. I tried for a long time but found it hard. When I started work with Marvin it seemed as though we didn’t have to do all of the things that I was trying. I looked forward to the sessions and the weight came off easily”

Marvin is first and foremost an international fitness educator, working as a consultant to all major health chains and a number of sports clubs. “I call him the Guru, he’s a legend and makes me laugh. I can’t believe how much he knows” said Matt Richards of Derby County Football Club.

When business is quiet – which is rare these days – Marvin writes educational material and trains other trainers.

1. Analyse one reason why Advanced Conditioning Ltd might experience an increase in sales volume. **(3)**

Answer [ ]

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1. (a) Business Link offers owners of new, small businesses practical advice on its website.  
   Business Link states each of the following about cost-plus pricing, except (1)
2. It guarantees that a profit is made
3. It is usually expressed as a percentage of the cost which is added to the cost
4. It can ignore the image of a business and its market position
5. it can sometimes ignore hidden costs (3)

Answer [ ]

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