



Practice Papers

for BTEC Tech Award in Enterprise (2022)

Component 3: Marketing and Finance for Enterprise

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Teacher's Introduction

This resource consists of four practice papers and mark schemes that can be used by teachers to prepare learners to be examined for Component 3 (Marketing and Finance for Business) of their Pearson BTEC Level 1 / Level 2 Tech Award in Enterprise course. The papers have been written for the revised specification for first teaching from September 2022 (first examined January/February 2024 and May/June 2024 onwards). The well-known saying suggests 'practice makes perfect', and hopefully the papers will help learners to perfect their exam skills and gain a good outcome for this external assessment.

Remember!

Always check the exam board website for new information, including changes to the specification and sample assessment material.

The Pearson BTEC Level 1 / Level 2 Tech Award in Enterprise qualification is assessed via two internally assessed units (Component 1 and Component 2) plus one externally assessed unit (Component 3).

Component 1: Exploring Enterprises

Internally assessed coursework
36 GLH
30% of final grade

Component 2: Planning and Presenting a Micro-Enterprise Idea

Internally assessed coursework
36 GLH
30% of final grade

+

Component 3: Marketing and Finance for Enterprise

External assessment
60 marks
48 GLH
40% of final grade
2-hour paper

This resource will help to ensure that students are familiar with the style and content of the externally assessed paper to prepare candidates with the best chance of securing pleasing results. The practice papers are written to cover the entire specification for Component 3.

Each practice paper is provided in write-on and non-write on format for flexibility of use. The write-on papers can be used for realistic mocks while the concise non-write-on papers have been provided for easy photocopying.

November 2023

How to use this Resource

This resource can be used in several ways to help students prepare for the external assessment. Here are a few suggestions.

- **Homework:** The papers could be completed as homework tasks. Students could complete sections in the run-up to the exam; alternatively, the questions could be divided up to show class progress through the various topics.
- **Mock exam:** The practice papers make ideal mock exams to complete under exam conditions. They are based on the format of the final exam. There is a mark scheme and suggestion for every question. The mock exam will then enable you to pinpoint the challenges your students face, exam technique / time management and tailor any intervention activities accordingly.
- **In class:** The papers could be 'walked through' in their entirety or divided up into sections to meet the requirements of an exam. Using the mark schemes, students could discuss the questions and the difference between the levels on the extended mark questions.
- **Exam technique:** The papers can be used to enhance your students' exam technique. They can become familiar with what is required from a 'give' or an 'explain' question and the marks expected for each level of response. Students could complete a range of questions to give them the opportunity to 'think like an examiner'.

Exam Paper Structure

There are two live sittings of the Component 3 assessment for the Pearson Edexcel Level 1 / Level 2 Tech Award in Enterprise each year – January/February and May/June. The qualification grading is at Levels 1/2. Level 1 is not a fallback option as is the case with some other qualifications.

Six grade options are offered for Component 3:

- Level 2 Distinction*
- Level 2 Merit
- Level 2 Pass
- Level 1 Distinction
- Level 1 Merit
- Level 1 Pass

* Please note: Level 2 Distinction is not available as a component grade, only for the qualification overall.

The assessment for Component 3 focuses on a small to medium-sized enterprise and candidates are required to answer several activities based on the business scenario.

Students have two hours to complete the assessment, which is written and examined under exam conditions.

Personal
Planning
and
Improvement

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Command Words

The following table outlines some of the commonly used command words for the face when completing Component 3. Spend time going over the command words to understand what is required to maximise the marks awarded.

Command word	Overview
Calculate	Complete a numerical calculation and put the answer to the calculation must be included as part of the answer where appropriate. Giving the answer to 'Calculation' questions because they will answer is wrong. The examiner is able to award marks for the answer is wrong.
Complete	Fill in the information that is missing from a diagram/figure/ the course.
Discuss	Candidates will be given a situation / a challenge / a problem to think about the various aspects and suggest how they interfere.
Draw	Produce a visual or graphical interpretation of information given freehand or with a ruler.
Evaluate	Make a judgement based on the information available with the and drawbacks / pros and cons / advantages and disadvantages. The judgement will be balanced and supported by evidence.
Explain	A specific topic will be identified/defined. The candidate will identify identification/definition with linked reasoning.
Give	Identify or state an answer or an example. No detailed description is required.
Identify	Provide an appropriate example that is relevant to a word or description is required.
Label	A diagram, figure or graph will be provided and candidates will, for instance, by adding the axis titles to a graph, or identifying the
Match	Candidates will be given two sets of options to match.
State	Identify or state an answer or an example. Express in clear and

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Pearson BTEC Level 1 / Level 2 Tech Award in Enterprise

Component 3

Marketing and Finance for Enterprise

Practice Paper A

Name

Time allowed

2 hours

Instructions

Answer **all** of the questions and use the space provided.

Information

The total number of marks available for this paper is **60**. The number of marks available for each question is shown in brackets.

Resources

You should have a ruler and a calculator to complete this paper.

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You should answer ALL questions within this practice paper.
Write all answers in the dedicated answer space.

All questions in this paper are based on the scenario below.
Please read the scenario fully before answering the questions.
Complete ALL questions.

Scenario

Jayden is a talented drama teacher and worked in a school for over 10 years. Jayden wanted to run his own business enterprise, so after finishing a short college course in a micro-enterprise – Jayden's Drama Tuition – to provide drama lessons. Jayden has been for six months and delivers lessons from two local community centres. He has purchased costumes which he takes to the community centres when delivering his lessons, and time he has built up a group of loyal customers.



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Question 1

Total

- a. Jayden has started to prepare a purchase order to place an order from a supplier for a drama production but has asked you to finish it off.

Complete the purchase order.

Purchase Order Dramatic Supplies Ltd			
Item description	Order code	Quantity	Unit price £
2 costumes – size small	34892	2	22
Pack of 5 metres of red ribbon	67203	5	4
Box of blue confetti	27809	15	2
			Subtotal
			Discount
			Total

- b. Give **one** reason why accuracy is important when completing a purchase order.

.....

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Jayden's supplier allows him to pay his monthly invoice by direct debit.

- c. Explain the advantage to Jayden's enterprise of paying his monthly invoice by direct debit.

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Question 2

Total

- a. Give **two** purposes of a cash flow forecast.

1.

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2.

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- b. One possible solution to solve a cash flow problem is to reduce stock levels. Give **two** advantages of reducing the amount of stock held.

1.

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2.

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- c. Explain **one** way that delaying payments to suppliers may help to solve a cash flow problem.

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- d. Jayden wants to reduce running costs to help solve a cash flow problem. Explain **two** ways that he could reduce running costs.

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Question 3

Total

Jayden's micro-enterprise has been operating for six months. Over the past six months, Jayden has incurred the following start-up and running costs.

- a. Give **one** example of a start-up cost for Jayden's micro-enterprise.

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- b. Give **two** examples of running costs for Jayden's micro-enterprise.

1.

.....

2.

.....

- c. Complete the profit and loss account by filling in the missing figures.

Profit and loss account (statement of comprehensive income) for Jayden's Drama Tuition for year ending 31st December

	£	£
Revenue		
Cost of sales		
Gross profit		i) _____
Expenses		
Advertising	1 000	
Rent of venues	ii) _____	
Utilities	1 500	
Miscellaneous	500	
Total expenses		
Net profit (profit for the year)		iii) _____

Jayden's bank account is £5,000 overdrawn. The micro-enterprise has an £8,000 overdraft.

- d. Explain **one** advantage to an enterprise of having a bank overdraft.

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Question 4

Total

- a. Explain **one** advantage to Jayden's enterprise of asking customers to pay for

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Jayden uses pricing strategy to set the price for drama lessons.

- b. Explain **one** advantage to Jayden's enterprise of using a penetration pricing

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Jayden has divided his customers into groups to be targeted.

- c. Explain **two** ways that the market for drama lessons can be segmented to target
- of customers.

1.

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2.

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Question 5

Total

Jayden is thinking of taking trade credit from the micro-enterprise's suppliers.

- a. Discuss the potential implications for Jayden's micro-enterprise of asking to from suppliers.



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Question 6

Total for

- a. Jayden has prepared a statement of financial position for the first year of trading. Complete the statement of financial position by filling in the missing figures.

Extract from statement of financial position as at 31st March

Fixed assets		
Current assets	569	
Current liabilities	i) _____	
Net current assets		
Net assets		ii) _____

- b. Give **one** way to increase the current assets.

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- c. Using the data in the extract from the statement of financial position, calculate the current ratio.

Current ratio = Current assets : Current liabilities

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- d. Explain **one** disadvantage to an enterprise of advertising as a method of promotion.

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- e. Explain **one** risk to an enterprise of using sales promotions.

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Question 7

Total

Jayden is planning to offer weekly drama lessons online which will give his enterprise a unique selling point (USP).

a. Explain **two** advantages to an enterprise of having a strong unique selling point.

1.

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2.

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Question 8

Total

Jayden is planning to buy a second-hand car to drive to a village hall 10 miles away.

He has researched the different options and has decided to choose between two.

- Hire purchase (HP)
- Leasing

- a. Evaluate which of the two sources of finance would be best to finance the purchase of a second-hand car.



END OF PAPER



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Preview of Questions Ends Here

This is a limited inspection copy. Sample of questions ends here to avoid students previewing questions before they are set. See contents page for details of the rest of the resource.

Mark Schemes

Paper A

1a. Complete the purchase order.

1 mark for each correct answer as indicated by the marks on the document
All information must be accurately completed for the full 6 marks
Own figure rule (OFR) applies for the marks indicated

Purchase Order: Dramatic Supplies Ltd

Item description	Order code	Quantity	Unit price	
			£	p
2 costumes – size small	34892	2	22	99
Pack of 5 metres of red ribbon	67203	5	4	60
Box of blue confetti	27809	15	2	15
			Subtotal	
			Discount (10%)	
			Total	

1b. Give one reason why accuracy is important when completing a purchase order.

1 mark for the correct answer

To order the correct product
To order the correct quantity of product

1c. Explain one advantage to Jayden's enterprise of paying his monthly invoice by direct debit.

1 mark for identification of each correct advantage
1 mark for a linked explanation of the advantage

Advantages include:

- Payments taken automatically from Jayden's bank account (1) so bills will not be forgotten (1)
- The bill will be paid automatically on time (1) so Jayden will not have to pay fees for late payment (1)
- Jayden will not have to spend time making the manual payment (1) so he can use the time for other tasks (1)

2a. Give two purposes of a cash flow forecast.

1 mark for each correct answer

Answers may include:

- To estimate/predict money flowing into and out of the enterprise over a period of time (1)
- To understand the impact of the timings of inflows and outflows (1)
- To make business decisions, e.g. apply for business finance or reduce cash outflows (1)
- To predict the financial situation, e.g. whether an overdraft is needed (1)

2b. Give two disadvantages of reducing the level of stock held.

1 mark for each correct answer

Disadvantages include:

- May lose sales/customers if unable to fulfil orders (1)
- Customer dissatisfaction (1)
- Poor reputation (1)
- Cannot cope with unexpected increases in demand (1)

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Preview of Answers Ends Here

This is a limited inspection copy. Sample of answers ends here to stop students looking up answers to their assessments. See contents page for details of the rest of the resource.