

A



A-level

BUSINESS

Paper 2 Business 2

7132/2

Insert

**Source Material for answering
Question 1 and 3.**

[Turn over]

01

Read the information provided on pages 2 to 7, and then answer the questions provided in the question paper.

THE UK TEA MARKET

Tea drinking in the UK is declining as younger customers choose alternatives such as coffee. Extrapolation of the annual sales suggests that coffee will outsell tea in the UK by 2025.

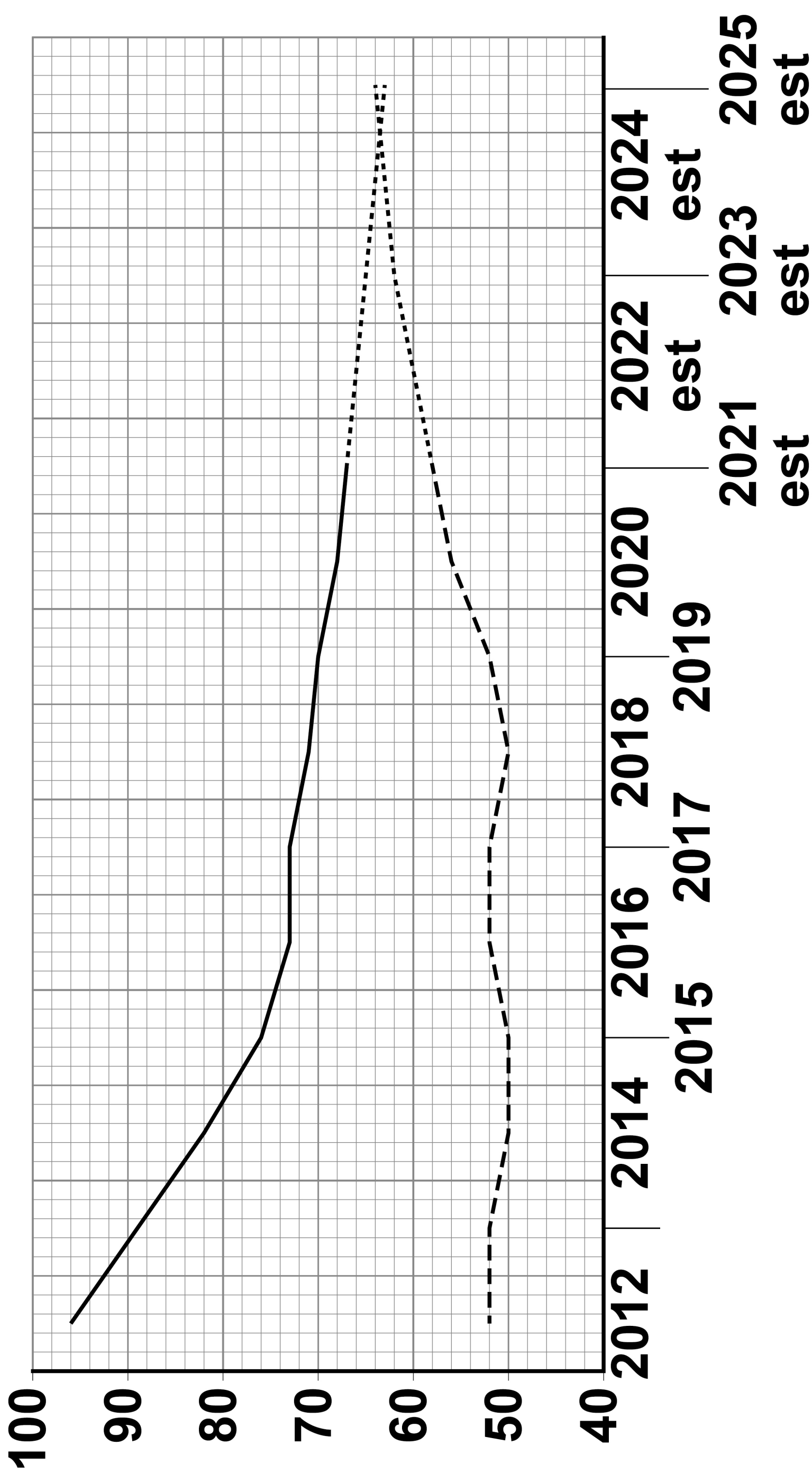
Within the overall tea market traditional black tea still dominates sales. However, a 'health tea' niche made up of fruit, herbal and green teas is growing. This niche has benefitted from its association with wellbeing.

BLANK PAGE

[Turn over]

APPENDIX A

Annual sales volume of black tea and coffee (million kg), UK
(actual sales 2012–2020; estimated sales 2021–2025)



KEY

- **Tea**
- - - - **Coffee**

[Turn over]

APPENDIX B UK TEA BRANDS 2019

Rank	Brand	Annual Sales (£m)	% change	Type of tea in range
1	Twinnings	108	+3.8	Black and health tea
2	PG Tips	99	-7.2	Mainly black, with small new health tea range
3	Taylors (including Yorkshire Tea)	98	+5.0	Black and health tea

4	Tetley	90	+0.4	Mainly black but some health tea
5	Pukka	23	+15.4	Organic and ethical black and health teas
	Other tea brands	144		

[Turn over]

BLANK PAGE

APPENDIX C**PRICE ELASTICITY OF DEMAND DATA**

Type of tea	Price elasticity of demand
Black tea	-1.2
Health teas	-0.5

[Turn over]

APPENDIX D

Selected data from recent market research survey

How often do you drink black tea? (% of respondents)			
	Overall	Age 18–24	Age over 65
Several times a day	42	25	56
Once a day	15	16	16
2–3 times per week	10	14	5
Occasionally	12	17	7
Never	21	28	16

Do you drink health tea? (% of respondents)	
	Yes
Female	32
Male	19

How important is it that the tea you buy is ethically sourced, eg fair trade? (% of respondents)	
Important	62
Not very important	26
Not at all important	12

[Turn over]

0	3
---	---

Read the information provided on pages 12–15, and then answer the questions provided in the question paper.

DISRUPTED SUPPLY

DT is a UK-based business manufacturing circuit boards which it sells to other businesses. All of DT's output is exported to Europe. The components that DT uses are sourced in the UK.

The supplier of a vital component closed suddenly in early 2020 disrupting DT's supply chain. DT's usual pattern of inventory control for this component is shown in FIGURE 1, on page 15.

DT was forced to buy this component from a new and more expensive supplier.

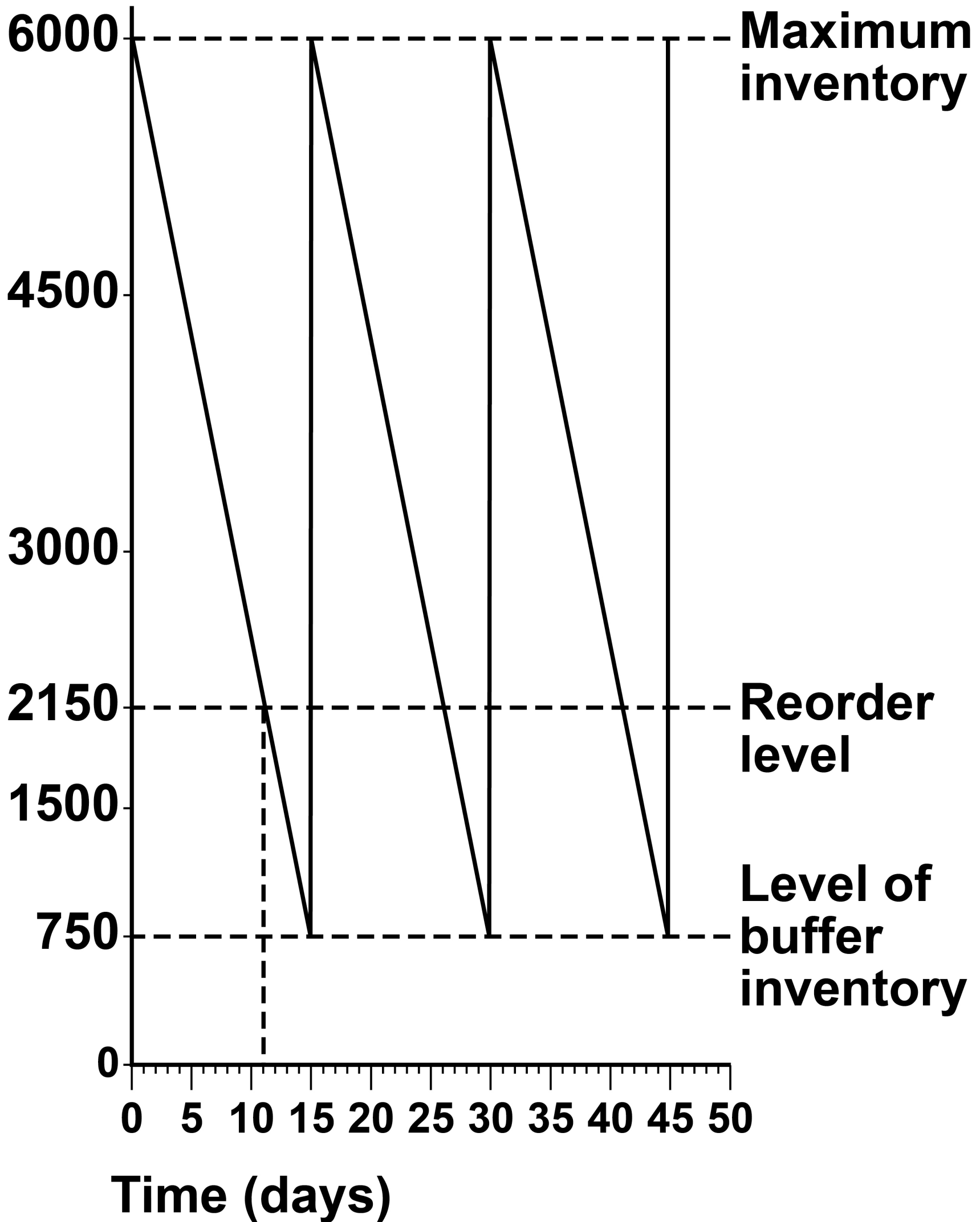
DT stated: 'We had no contingency plan. It was impossible for us to find alternative supplies quickly enough to fulfil all our existing orders. The new supplies had higher levels of defects.'

[Turn over]

FIGURE 1 is provided on the opposite page.

Inventory control chart showing DT's usual pattern before disruption

Inventory level (units)



END OF SOURCE MATERIAL

BLANK PAGE

Copyright information

For confidentiality purposes, all acknowledgements of third-party copyright material are published in a separate booklet. This booklet is published after each live examination series and is available for free download from www.aqa.org.uk.

Permission to reproduce all copyright material has been applied for. In some cases, efforts to contact copyright-holders may have been unsuccessful and AQA will be happy to rectify any omissions of acknowledgements. If you have any queries please contact the Copyright Team.

Copyright © 2022 AQA and its licensors. All rights reserved.

IB/M/MW/Jun22/7132/2/E3



2 2 6 A 7 1 3 2 / 2