



Rewarding Learning

ADVANCED SUBSIDIARY (AS)

General Certificate of Education

2015

GCE Applied Business

Assessment Unit AS 3

assessing

External Influences on
the Business Enterprise

[A3B31]

MONDAY 18 MAY, MORNING



TIME

1 hour 30 minutes.

INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number on the Answer Booklet provided.
Answer **all six** questions.

INFORMATION FOR CANDIDATES

The total mark for this paper is 80.

Quality of written communication will be assessed in Questions **5** and **6**.

Figures in brackets printed down the right-hand side of pages indicate the marks awarded to each question or part question.

ADVICE TO CANDIDATES

You are advised to take account of the marks for each part question in allocating the available examination time.

Perfecseal Inc. (Perfecseal)

Perfecseal is owned by Bemis Inc., an American-based company, operates in the 'Life and Health Science' (LHS) sector of the local economy, and is recognised as a world leading manufacturer of medical and pharmaceutical packaging, selling to the medical trade. The firm's Londonderry/Derry facility currently employs over 290 staff. Perfecseal's product range includes medical pouches, bags, thermoformed trays, lids and labels.

Perfecseal's international manufacturing operations provide a secure source of supply for customers from United States of America, Malaysia and China. Some of these locations enable Perfecseal to take advantage of their more favourable taxation systems (e.g. lower rates of taxation, higher tax allowances and increased amounts of subsidies) compared to those in the UK.

Perfecseal's success may be due to its competitive advantage in areas such as its rapid development and validation of products, globally integrated support services, leading-edge packaging design, testing, and environmental/regulatory support. Perfecseal benefits from synergies in material science, integrated manufacturing processes and process innovation, and the firm invests in innovative technology in order to reduce competition and to compete more effectively in the global market.

Best practice and continuous improvements in Perfecseal are delivering quality and a high standard of compliance, and it is committed to the support of global product quality standards and practices, such as ISO 11607, ISO 13485 and ISO 9001.

As part of the Bemis Inc., group of companies, Perfecseal is committed to the following business objectives:

Environmental — a commitment to helping stakeholders use less packaging overall; to developing effective new sustainable materials; to minimising manufacturing waste and to producing materials efficiently through responsible use of energy and resources.

Economic — a commitment to adapt to change; to contribute to the economic stability of local communities and to invest in the ongoing development of more sustainable, functional packaging technologies.

Social — a commitment to improve the lives of people, to ensure packaging safety; to protect employee and environmental safety and to give back to local communities and industry.

A recent report published by Invest NI (INI), estimated that the total employment in the LHS sector of the Northern Ireland economy is between 6,700–7,500 employees – a smaller number than in the main regional concentrations of the LHS sector in England.

Other business organisations which currently operate within this sector in N. Ireland include:

- Almac: considered to be the largest LHS business in Northern Ireland. It also has a facility located in Pennsylvania, United States of America.
- Randox: a Northern Ireland based business, which develops and manufactures diagnostic kits for medical use.
- Norbrook Laboratories: the largest privately-owned pharmaceutical company in the world specialising in drugs for use in veterinary, farm animal and equine health care.
- Warner Chilcott: a multi-national pharmaceuticals company which employs approximately 215 staff in N. Ireland.
- James Leckey Design: it is based in Lisburn and employs almost 100 staff alongside an international network of product and sales advisors.

This would suggest that Perfecseal operates in a competitive market.

Answer **all six** questions

- 1 Define the term 'taxation', and explain **one** way in which taxation might affect a company such as Perfecseal. [4]
- 2 Analyse **three** ways in which a competitive market might influence an organisation such as Perfecseal. [9]
- 3 Analyse **four** ways in which government intervention within the medical packaging industry might affect Perfecseal. [12]
- 4 Analyse how Perfecseal's commitment to invest in innovative technology might affect **five** stakeholder groups. [15]
- 5 Evaluate **four** ways in which Perfecseal's policy of improving quality might make the business more competitive. [20]
- 6 Discuss **four** reasons why international trade is important to Perfecseal. [20]

THIS IS THE END OF THE QUESTION PAPER

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