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1. Mercia Airport is located in the east of England. It has good road and railway links. It is used mainly by airlines that provide low cost ‘no frills’ flights to cities and holiday destinations in the UK and the rest of Europe. Such flights are in the domestic and short-haul market.

Mercia Airport is owned by *Mercia Airports Ltd*, a private limited company, part of *Rack Holdings Ltd* that owns a number of businesses in the road, rail and air transport sector.

*Mercia Airports Ltd* has three main types of customers:

- the airlines that operate from Mercia Airport
- travellers who use the services of the airlines that fly in and out of Mercia Airport
- the retailers that rent and operate the shops located within the airport.

The main aim of *Mercia Airports Ltd* is to ‘delight and satisfy all of its customers’.

- (a) State **four** likely reasons why *Mercia Airports Ltd* has this aim for its customers.

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(b) How would the marketing function of *Mercia Airports Ltd* support its main aim 'to delight and satisfy all of its customers'?

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The Department for Transport report, 'Air Traffic Forecasts for the United Kingdom 2000', forecasts that holiday flights are expected to grow at 4.4 per cent per annum between 1998 and 2020.

One of the objectives that *Rack Holdings Ltd* has set for Mercia Airport is to increase its income in line with this forecast growth in holiday flights.

(c) (i) Give **two** reasons why *Rack Holdings Ltd* has set this objective.

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(ii) Discuss the risk to *Rack Holdings Ltd* in linking an objective for income growth with the forecast growth in holiday flights.

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Most businesses need to make a profit.

(d) Outline the need for *Mercia Airports Ltd* to make a profit.

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*Mercia Airports Ltd* is considering the building of a new terminal.

(e) What would be its options, as a private limited company, for raising finance for the new terminal?

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**You are advised to read the question below, before choosing your business.**

**In the space below, record the details of ONE business that you have studied during your course. Refer to this business when answering question 1(f).**

<p><b>Name of Business:</b> .....</p> <p><b>Main Activities:</b> .....</p> <p>.....</p>
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(f) Explain the role of the manager responsible for finance in the business you have chosen.

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**You are advised to read the question below, before choosing your business.**

**In the space below, record the details of ONE business that you have studied during your course. Refer to this business when answering question 1(g).**

<p><b>Name of Business:</b> .....</p> <p><b>Main Activities:</b> .....</p> <p>.....</p>
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Head offices will set objectives for all their branches. This is an example of centralised management.

(g) Discuss to what extent centralised management affects the day-to-day work at one branch of the business you have chosen.

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**Q1**

**(Total 30 marks)**



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2. Many passengers using Mercia Airport rely on local taxi services to get them to and from the airport. One of the largest local taxi firms is *Eastern Cabs Ltd*.

Taxi firms have a high turnover of drivers and need to recruit new ones on a regular basis.

(a) (i) Why are taxi firms likely to have a high turnover of drivers?

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(ii) What would be **two** personal qualities looked for by *Eastern Cabs Ltd* when recruiting new drivers?

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(b) Discuss the likely recruitment process for taxi drivers.

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(c) Analyse why face-to-face interviews are conducted with potential employees during the selection process.

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(d) Analyse the use of curriculum vitae (CVs) in the recruitment of staff.

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*GoSkills* is the Sector Skills Council (SSC) for businesses working in the UK passenger transport sector. Its mission is ‘to develop the skills and status of passenger transport’. It develops and promotes nationally recognised training schemes for the transport sector including the taxi industry.

(e) Analyse why a nationally recognised training scheme will benefit taxi firms.

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**You are advised to read the question below, before choosing your business.**

**In the space below, record the details of ONE business that you have studied during your course. Refer to this business when answering question 2(f).**

<p><b>Name of Business:</b> .....</p> <p><b>Main Activities:</b> .....</p> <p>.....</p>
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(f) Explain **two** common elements that would appear in any job description from the business you have chosen.

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You are advised to read the question below, before choosing your business.

In the space below, record the details of ONE business that you have studied during your course. Refer to this business when answering question 2(g).

<p>Name of Business: .....</p> <p>Main Activities: .....</p> <p>.....</p>
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(g) Give an example of a person specification for a new member of staff who has face-to-face dealings with customers in the business you have chosen.

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3. *Mercia Airports Ltd* has applied for planning permission to build a second runway. This has attracted attention from pressure groups. One pressure group is made up of local residents who are against the runway and another pressure group of local businesses who support the runway.

(a) Explain the arguments of each pressure group.

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(b) Using **two** needs from Maslow's hierarchy, demonstrate why protests from pressure groups could demotivate staff working at the airport.

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(c) What **four** actions could the management of *Mercia Airports Ltd* take to motivate its staff during protests from pressure groups?

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Mercia Airport operates 24 hours a day.

(d) (i) Describe **one** piece of legislation that is designed to protect the well-being of employees in businesses that operate 24 hours a day.

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(ii) What would be the consequence to an employer who fails to abide by this legislation?

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**You are advised to read the question below, before choosing your business.**

**In the space below, record the details of ONE business that you have studied during your course. Refer to this business when answering question 3(e).**

**Name of Business:** .....

**Main Activities:** .....

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(e) How does this business retain its employees?

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**You are advised to read the question below, before choosing your business.**

**In the space below, record the details of ONE business that you have studied during your course. Refer to this business when answering question 3(f).**

**Name of Business:** .....

**Main Activities:** .....

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(f) To what extent has this business been successful in dealing with a local environmental issue?

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Q3

(Total 30 marks)

**TOTAL FOR PAPER: 90 MARKS**

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