

**ADVANCED SUBSIDIARY GCE  
APPLIED BUSINESS**

Unit 3: Understanding the Business Environment

**F242**

Candidates answer on the question paper

**OCR Supplied Materials:**

- Clean copy Case Study

**Other Materials Required:**

- Calculator

**Monday 18 May 2009  
Morning**

**Duration:** 1 hour 30 minutes



Candidate Forename		Candidate Surname	
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Centre Number						Candidate Number				
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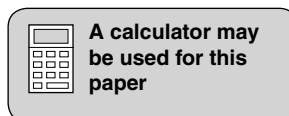
**INSTRUCTIONS TO CANDIDATES**

- Write your name clearly in capital letters, your Centre Number and Candidate Number in the boxes above.
- Use black ink. Pencil may be used for graphs and diagrams only.
- Read each question carefully and make sure that you know what you have to do before starting your answer.
- Answer **all** the questions.
- Do **not** write in the bar codes.
- Write your answer to each question in the space provided.

**INFORMATION FOR CANDIDATES**

- The number of marks is given in brackets [ ] at the end of each question or part question.
- The total number of marks for this paper is **100**.
- The quality of written communication will be taken into account in marking your answer to the question marked with an asterisk (\*).
- This document consists of **16** pages. Any blank pages are indicated.

Examiner's Use Only:			
1			
2			
3			
4			
5			
<b>Total</b>			



Answer **all** questions.

1 (a) State **two** ways in which a limited company differs from a partnership.

Way 1: .....

.....

Way 2: .....

..... [2]

(b) Identify and explain **two** differences between a public limited company and a private limited company.

Difference 1: .....

Explanation: .....

.....

.....

Difference 2: .....

Explanation: .....

.....

..... [4]

(c)\* Evaluate the likely benefits and drawbacks to *Layton Construction plc* of being a public limited company.

.....

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.....



2 Complete the table below to:

(a) identify **two** internal stakeholders and **two** external stakeholders in *Layton Construction plc*; [4]

(b) explain how each is able to influence the company. [8]

	Identify the stakeholder	Explanation of influence
Internal stakeholder 1		
Internal stakeholder 2		
External stakeholder 1		
External stakeholder 2		





(c) *Layton Construction plc* uses PEST analysis when reviewing its activities.

For each of the following activities, identify **one** different factor, (other than a change in interest rates) for each element of the PEST analysis.

	House building	Construction of out of town shopping centres
P		
E		
S		
T		

[8]

(d) Identify and explain **two** benefits of the use of **SWOT analysis** to a business such as *Layton Construction plc*.

Benefit 1: .....

Explanation: .....

.....

.....

Benefit 2: .....

Explanation: .....

.....

..... [4]

[Total: 26]





(c) Identify **two** other ethical issues that could relate to the operations of a company such as *Layton Construction plc*.

Ethical issue 1: .....

.....

Ethical issue 2: .....

..... [2]

**[Total: 10]**



(iii) Calculate the profit from the development of 15 houses.

[3]

Show your working:

Answer: £ .....





- (c) (i) The variance statement below relates to the variable costs of constructing one house. Complete the variance statement below.

Item	Budget figure (£)	Actual figure (£)	Variance (£)	Favourable or unfavourable	Variance as % of budget figure
Materials	35 000	36 800			
Labour	30 000	31 600			
Total	65 000	68 400			

[9]

- (ii) Identify and explain **two** benefits of variance analysis to a business such as *Layton Construction plc*.

Benefit 1: .....

Explanation: .....

.....

.....

Benefit 2: .....

Explanation: .....

.....

..... [4]

[Total: 34]

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