

ADVANCED GCE
APPLIED BUSINESS
Unit 17: Business Law

F256

Candidates answer on the Question Paper

OCR Supplied Materials:
None

Other Materials Required:
None

Thursday 21 January 2010
Afternoon

Duration: 2 hours



Candidate Forename		Candidate Surname	
--------------------	--	-------------------	--

Centre Number						Candidate Number				
---------------	--	--	--	--	--	------------------	--	--	--	--

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 for each question 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.

Text 2

The shareholders decided to keep *MH Ltd* as a private limited company and managed to finance their expansion plans with a generous government grant. In a matter of weeks the gift shop was ready to trade. The opening up of the drift mine was more complex and would take longer.

The gift shop sold unusual souvenirs, such as replica mining lamps and traditional sweets. Classic Candy Ltd (CC Ltd) was contracted to supply these sweets in small tins. The sweets were made to the original recipes except for the addition of preservatives. The tins were painted with original gunmetal leaded paint. Each tin was labelled with its total weight in imperial units, rather than metric, just as in the old mining days.

Zara was employed by *MH Ltd* to run the gift shop and every month, when the new delivery of sweets arrived, Zara would restock the shelves. The sweets were always displayed on the third shelf, out of the reach of young children. Once the new delivery was neatly stacked, she would replace the sign which read 'Sweets for all the family, made to original recipes'.

Late one afternoon, Zara received a phone call from a customer who had purchased a tin of original mint humbugs for her young son. The customer complained that, on opening the tin at home, she had found the mints smashed to pieces and more worryingly that a tiny piece of glass found in the tin had cut her young son's gum. Zara thought it more likely that a piece of broken sweet had cut the boy's gum, nevertheless, she immediately removed all of the sweets from sale.

2 Refer to Text 2.

- (a) *MH Ltd* employs Zara to run the gift shop. Explain what impact the Minimum Wage Act is likely to have on *MH Ltd*.

.....

.....

.....

.....

.....

.....

.....

.....

..... [4]

(b) Describe **three** elements needed to make the contract between *MH Ltd* and *CC Ltd* legally enforceable.

1:
.....
.....
.....
.....
.....
.....

2:
.....
.....
.....
.....
.....
.....

3:
.....
.....
.....
.....
.....
..... [6]

(c) Contracts rely upon **express** and **implied** terms.

(i) State one **express** term likely to be in the contract between *MH Ltd* and *CC Ltd*.
.....
..... [1]

(ii) State one **implied** term that the **Sale and Supply of Goods Act** would impose on a contract such as the one between *MH Ltd* and *CC Ltd*.
.....
..... [1]

(d) The Sale and Supply of Goods Act is an example of an Act of Parliament. Explain **three** stages involved in the creation of an **Act of Parliament**.

1:

.....

.....

.....

.....

.....

.....

2:

.....

.....

.....

.....

.....

.....

3:

.....

.....

.....

.....

.....

.....

[6]

Text 3

Finally the excavation work needed to open up the drift mine was complete. A high metal fence, with 'danger keep out' warnings signs on every gate, secured the site.

Inside the drift mine additional lighting, ramps and hand rails were installed to help the visitors cope with the narrow steps and uneven ground. Low beams were painted white and emergency routes were clearly signed.

Four local residents were employed as guides to give every visitor, who wished, a tour of the drift mine. Each tour was to last 25 minutes and hard hats were to be issued before entering the mine. *MH Ltd* provided detailed health and safety training to all four of the guides. Two of the guides were also sent on a week-long first aid course. The guides had a difficult job – as well as explaining the workings of the mine and answering any questions, they also had to warn the visitors of any dangers and ensure that the hard hats were being worn correctly.

A group of senior citizens were given the first guided tour.

3 Refer to Text 3.

(a) Employers and employees must perform their common law duties.

(i) Explain **two** common law duties *MH Ltd* has as an **employer**.

1:
.....
.....
.....
.....
.....
.....
.....
..... [4]

(ii) Explain **two** common law duties the guides have as **employees**.

1:
.....
.....
.....
.....
.....
.....
.....
..... [4]

(c) Outline **three** steps involved in putting a company such as *MH Ltd* into administration.

1:

.....

.....

.....

.....

.....

.....

2:

.....

.....

.....

.....

.....

.....

3:

.....

.....

.....

.....

.....

.....

[6]

[Total: 14]

PLEASE DO NOT WRITE ON THIS PAGE



Copyright Information

OCR is committed to seeking permission to reproduce all third-party content that it uses in its assessment materials. OCR has attempted to identify and contact all copyright holders whose work is used in this paper. To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced in the OCR Copyright Acknowledgements Booklet. This is produced for each series of examinations, is given to all schools that receive assessment material and is freely available to download from our public website (www.ocr.org.uk) after the live examination series.

If OCR has unwittingly failed to correctly acknowledge or clear any third-party content in this assessment material, OCR will be happy to correct its mistake at the earliest possible opportunity.

For queries or further information please contact the Copyright Team, First Floor, 9 Hills Road, Cambridge CB2 1GE.

OCR is part of the Cambridge Assessment Group; Cambridge Assessment is the brand name of University of Cambridge Local Examinations Syndicate (UCLES), which is itself a department of the University of Cambridge.