

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS
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APPLIED BUSINESS

Understanding the Business Environment

DATA BOOKLET

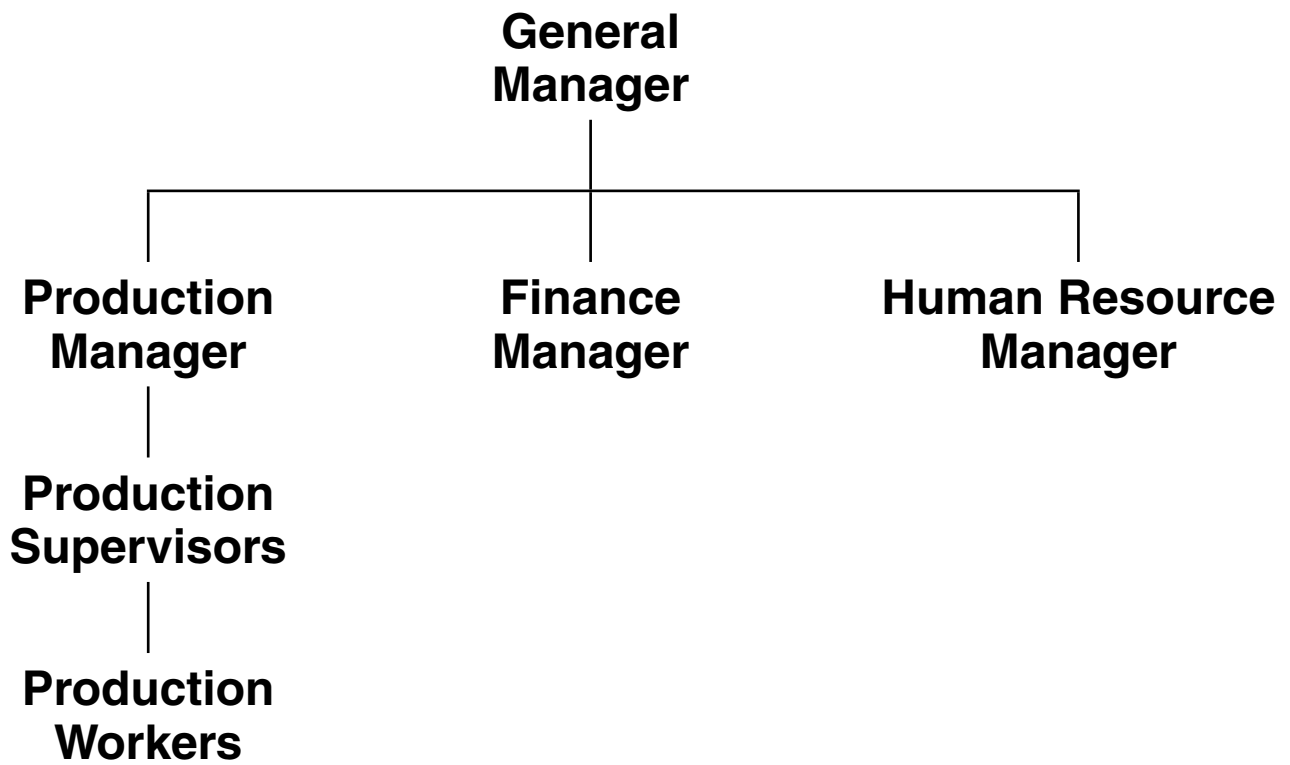
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FIG. 1
EXTRACT FROM THE PROPOSED ORGANISATIONAL
STRUCTURE OF THE MUMBAI FACTORY



APPENDIX 1

WONDERING IF CHOOSING ORGANIC BABY CLOTHES OVER MORE 'CONVENTIONAL' PRODUCTS REALLY MAKES A DIFFERENCE? YOU BET IT DOES!

Globally speaking, buying organic clothing can make a big impact, even if it is for your little baby. Organic farming reduces your carbon footprint and contributes to the general health of the planet. For instance, the cotton industry accounts for over 24% of pesticide use. Children who are exposed to pesticides in and around the home have a seven times higher risk of leukaemia. And it is not just children who are at risk. In India, 91% of male cotton workers who are exposed to these chemicals for more than eight hours daily experience some type of health disorder. The synthetic fertilisers and pesticides used on many crops can poison the water you drink and kill off beneficial organisms (an estimated 67 million birds each year!). Small business farmers often get caught in the vicious cycle of purchasing expensive chemicals to improve yield, only to find that more chemicals are required to kill off resistant pests and enhance tired soil the next year. The land wears out, water becomes poisoned, and costs get out of hand, so a once thriving livelihood gets abandoned.

Many parents think that the 'organic' label is just a slick way to raise clothing prices. While organic does cost a little more, the quality of the materials and construction outweighs the extra cost. Your baby's clothes will last longer, look and wear better. You won't be embarrassed to give them to another parent or save them for your growing family. For many, choosing organic baby clothes is one of the most logical steps when planning for their new arrival. When you put the facts together, it is clear that organic is the only way to go. Buying organic baby clothes is not only a great choice for taking care of your little one; it is the responsible choice for taking care of our world.

APPENDIX 2

INCENTIVES OFFERED BY THE INDIAN GOVERNMENT

The Indian government offers many incentives to investors in India with a view to stimulating industrial growth and development. The incentives offered are in line with the government's economic philosophy, and are revised regularly to accommodate new areas of emphasis. The following are some of the important incentives offered, which significantly reduce the effective tax rates for the beneficiary companies:

- 1. five year tax holiday for:**
 - power projects;**
 - firms engaged in exports;**
- 2. tax deductions of 100 per cent of export profits;**
- 3. deduction of 30 per cent of net (total) income for 10 years for new industrial undertakings;**
- 4. deduction of 50 per cent on foreign exchange earnings by construction companies, hotels; and on royalty, commission, etc. earned in foreign exchange.**

APPENDIX 3

GREEN MUMS DUMP THE DISPOSABLE NAPPY TO EASE WASTE

In the topsy-turvy world now described by ‘green’ parenting groups, there are even claims that mothers are becoming ‘too posh for disposal nappies’.

It is a trend that washes out decades of careful nappy marketing: more babies now wear re-usable nappies than at any time since the 1970s.

Legions of mothers are returning to the bulky safety-pinned terries that their mothers and grandmothers swore by in a less extravagant age. This trend has been helped by technological breakthroughs which have allowed moisture to be locked away for up to 12 hours within re-useable nappies.

Aided by modern materials and a redesign, the washable nappies have spread across social classes to vie for the affections of parents in the wake of arguments by campaigners that they are more environmentally friendly.

The impact on landfill sites is cited as the single biggest problem with single-use throwaway nappies. Each baby is estimated to go through 4 500 before being trusted to give his or her parents sufficient warning to get to a loo in time.

Each year close to three billion disposable nappies are thrown away, accounting for 670 000 to 750 000 tonnes of waste. Disposable nappies make up about 4% of household waste and they may take up to 500 years to degrade.

A recent report published by Mintel, the market research firm, said that while washable nappies are a niche market at present, they could follow the example set by organic baby food, which was transformed from a fringe interest to the mainstream. Mintel analysts said that the disposable industry had managed to maintain a positive image among consumers because of convenience and performance, but noted that there was rising interest in green issues. “Consumers are increasingly interested in green and natural products, as shown in other markets such as the growth of organic food,” the report said.

The researchers highlighted the increasing popularity of washable nappies and calculated that usage from 2005–07 rose by 6%. Mintel put the value of the nappy market in the United Kingdom at £592m, an 18% rise since 2002.

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