

General Certificate of Education
January 2007
Advanced Subsidiary Examination



BUSINESS STUDIES
Unit 2

BUS2

Wednesday 10 January 2007 9.00 am to 10.00 am

For this paper you must have:

- a clean copy of the Case Study (enclosed)
- an 8-page answer book.

You may use a calculator.

Time allowed: 1 hour

Instructions

- Use blue or black ink or ball-point pen.
- Write the information required on the front of your answer book. The *Examining Body* for this paper is AQA. The *Paper Reference* is BUS2.
- Answer **all** questions.
- Do all rough work in the answer book. Cross through any work you do not want to be marked.

Information

- The maximum mark for this paper is 53.
Three of these marks will be awarded for the Quality of Written Communication.
- The marks for questions are shown in brackets.
- You are reminded of the need for good English and clear presentation in your answers. All questions should be answered in continuous prose. Quality of Written Communication will be assessed in all answers.

Answer **all** questions.

Where appropriate, use examples from the Case Study to support your answers.

- 1 Explain **two** possible reasons why *Kiki*'s new directors were recruited externally (Section E). (6 marks)
- 2 Outline **two** possible benefits to *Kiki* that may result from the greater use of teamworking. (6 marks)
- 3 A key element of Hannah's strategy was to change *Kiki*'s existing organisational design by delayering and decentralising (Sections D and E). Discuss the arguments **for** and **against** the changes in *Kiki*'s organisational structure that Hannah implemented. (15 marks)
- 4 (a) Alan Gilzean aims to achieve a level of 90% capacity utilisation in the Blackburn factory. With reference to **Figure 2**, calculate the level of monthly output necessary to achieve this. (2 marks)
(b) Analyse **one** reason why a high level of capacity utilisation is desirable to *Kiki*. (6 marks)
- 5 According to XMart's Chief Executive, to be successful in the fast fashion industry, "It's time-based management that is important not quality" (Section H). To what extent do you agree with this view? (15 marks)

END OF QUESTIONS