



Rewarding Learning

ADVANCED SUBSIDIARY (AS)

General Certificate of Education

January 2009

Business Studies

Assessment Unit AS 1

assessing

Module 1: Objectives and
The Business Environment

[AST11]

THURSDAY 8 JANUARY, MORNING



TIME

1 hour.

INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number on the Answer Booklet provided.
Answer **both** questions.

INFORMATION FOR CANDIDATES

The total mark for this paper is 50. Quality of written communication will be assessed in **all** questions.

Figures in brackets printed down the right-hand side of pages indicate the marks awarded to each question or part question.

ADVICE TO CANDIDATES

You are advised to take account of the marks for each part question in allocating the available examination time.

- 1 Study the information below and answer the questions that follow.

Forms of Business Ownership

University graduates and friends Gail Holden, Nuala Murray and Tom Austin, having spent the last five years in a variety of human resource jobs, have now decided to form their own recruitment consultancy firm. They believe that, given their varied experiences in high-profile companies, together with the improving employment situation in Northern Ireland, there is an opportunity for a new business to claim a share of the recruitment market.

The friends have been discussing various aspects of business planning regarding location, costs, markets they could target, skills they will each bring to the business, and possible forms of ownership.

Having reached broad agreement on the other issues, they are still undecided whether a partnership or a private limited company would be the most suitable form of ownership. Nuala believes that a partnership would be appropriate as they have a long-standing friendship, whereas Tom is convinced that a private limited company is a more realistic option. Gail is unsure and has suggested that everyone think carefully about this issue again before a final decision is made.

- (a) Explain three aspects of a partnership that the friends should consider before making their decision. [10]
- (b) Discuss whether Gail, Nuala and Tom should form a private limited company. [15]

2 Study the information below and answer the questions that follow.

Business Planning and Stakeholder Objectives

Janet Ross and David Murray have recently returned to Northern Ireland having spent some time working and studying abroad. Janet completed a Business Studies degree and worked as a buyer for a large department store while David worked for a number of pottery businesses since graduating from Art school.

They have discussed the possibility of taking over a disused factory near their homes in Antrim with a view to producing pottery on a commercial basis under the brand name Ceramico. They realise that it should be possible to recruit and retrain many of the staff who had been made redundant by the previous employer.

They have held meetings with several interested groups including Antrim Borough Council, potential suppliers and Invest NI. Some high street stores have also expressed an interest in sourcing a local manufacturer of pottery products.

David believes that they should begin production at the earliest opportunity to get themselves established with interested buyers. However, Janet believes that they need to take a more considered approach to finalise their business plan before committing themselves to the enterprise. She is particularly concerned that all stakeholder views should be taken into consideration before going ahead.

- (a) Explain three situations in which stakeholders of Ceramico might have conflicting objectives. [10]
- (b) Discuss whether a business such as Ceramico should draw up a business plan. [15]

THIS IS THE END OF THE QUESTION PAPER

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