



Rewarding Learning

ADVANCED SUBSIDIARY (AS)
General Certificate of Education
2013

Business Studies

Assessment Unit AS 2

assessing

Managing Business Resources

[AT121]

THURSDAY 20 JUNE, MORNING

MV18

TIME

1 hour 30 minutes, plus your additional time allowance.

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 80.

Quality of written communication will be assessed in question 1 parts **(d)** and **(e)** and question 2 parts **(d)** and **(e)**.

Figures in brackets printed at the end of each question indicate the marks awarded to each question or part question.

ADVICE TO CANDIDATES

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

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(Questions start overleaf)

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

Nestlé

Nestlé employs almost 7 000 people across 23 sites in the UK and Ireland. It makes some of the UK's most popular brands, such as Nescafé, Kit Kat, Carnation, Shredded Wheat, Buxton Water, Ski and Bakers Dog Food. It is estimated that around 95% of households in the UK consume Nestlé products.

Nestlé have several business functions within the organisation, such as Marketing, Human Resource Management, Finance, Sales and Customer Service. Lorraine is the Product Group manager for Cereals in the UK. Her work includes liaising with Sainsbury's, Tesco, Safeway and Waitrose to bring Nestlé products to life in different stores. In a recent interview Lorraine stated "It is a close organisation and I think everyone works very closely together. It's a very flat organisation and we are all very motivated, little bit competitive maybe".

Management at Nestlé don't talk about benefits – they talk about rewards. Employees are rewarded for their contribution to the success of the company. Lorraine's democratic style of leadership encourages everyone within her department to work as a team. The company offers a competitive salary, contributory pension scheme and a range of other incentives to choose from, such as childcare vouchers.

Nestlé operates in a highly competitive industry and in the current economic climate has been impacted significantly. This is reflected in their recent cash flow statement as shown below:

Nestlé's cash flow

Cash flow	January–June 2011 (CHF millions)	January–June 2010 (CHF millions)
	1 669	5 769

Fig. 1

Management use budgets to monitor all aspects of financial performance.

- (a)** Explain what is meant by the term cash flow, using an example from the case study to illustrate your answer. [4]
- (b)** Explain two benefits to Nestlé of using non-monetary methods of motivation. [4]
- (c)** Analyse possible methods that Nestlé might use to improve its cash flow. [8]
- (d)** Discuss the advantages and disadvantages to businesses such as Nestlé of having a flat organisational structure. [12]
- (e)** Evaluate the usefulness of budgeting to an organisation such as Nestlé. [12]

- 2** Study the information below and answer the questions that follow:

Steve Wozniak and the late Steve Jobs co-founded Apple in 1976. They created a global company which has changed the way people work and play, to such an extent that the technology has improved communications at all levels. For example, staff can use iPhones and iPads to communicate via telephone, e-mail and the Internet. Steve Jobs died on 6th October 2011 and left a great legacy. Mr Jobs built a reputation as a forthright and demanding authoritarian leader who took niche technologies – such as the mouse and graphical user interface, using onscreen icons rather than text – and made them popular with the general public.

A career with Apple is one where you are part of a team. To be a manager within Apple requires someone with innovative and creative thinking. It suits someone who thinks strategically and can be an excellent coach, partner and friend to their staff. Employees can also take part in their 24 month Store Leader Programme. They would undergo a variety of training experiences and be given leadership opportunities. You would emerge from the programme with world-class leadership skills. Potential employees submit a Curriculum Vitae (CV) to Apple and they will contact all successful candidates based on their skills, knowledge and expertise. Employees of Apple benefit from fringe benefits, including discounts for employees and another financial incentive such as share ownership.

- (a)** Explain the term Curriculum Vitae (CV). Illustrate your answer with an example from the case study. [4]

- (b)** Explain how technology has had an impact on communication, in a business such as Apple. [4]

- (c)** Analyse the benefits of using team working for a business such as Apple. [8]

- (d)** Discuss the advantages and disadvantages of an authoritarian leadership style in a business such as Apple. [12]

- (e)** Evaluate the use of monetary methods of motivation within a business such as Apple. [12]

SOURCES

Pg 4-5, Q1, Case Study - Nestlé, Source: © Nestlé UK Ltd
Pg 6-7, Q2, Text re Careers with Apple, Source: © Apple Inc.

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