

**ADVANCED SUBSIDIARY GCE
BUSINESS STUDIES**

Unit 1: An Introduction to Business

F291

* C U P / T 6 8 2 2 6 *

Candidates answer on the question paper

OCR Supplied Materials:

None

Other Materials Required:

- Calculators may be used

**Thursday 21 May 2009
Morning**
Duration: 1 hour

Candidate Forename					Candidate Surname				
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Centre Number						Candidate Number			
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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, however additional paper may be used if necessary.

INFORMATION FOR CANDIDATES

- The number of marks is given in brackets [] at the end of each question or part question.
- The total number of marks for this paper is **60**.
- The quality of your written communication will be taken into account in marking your answer to the question labelled with an asterisk (*).
- This document consists of **8** pages. Any blank pages are indicated.


**A calculator may
be used for this
paper**

THOMAS COOK

Thomas Cook (TC) is one of the UK's largest travel companies, employing around 11,000 people. It offers holidays to over 1,000 locations in the UK and abroad.

TC is owned by the Thomas Cook Group plc which is much more than a travel agency. As well as the high street shops selling travel, there are foreign exchange bureaux, Thomas Cook Airlines and Thomascook.com.

5

TC has grown significantly over the last ten years and the company hopes to continue to do so in the future. One of its objectives is 'to expand in existing and new markets'.

However, like any business, TC has had to face a number of problems, some internal and some external. For example, the government imposes a tax on all flights from the UK to try to reduce the social costs associated with air travel.

10

Recently, there was an attempt by the government to make all travel companies reduce the price of family package holidays outside term time. The price of some holidays taken during school holidays can be over 100% more than the same holiday taken a week later in term time. For example, a holiday in Mallorca at Easter costs £1920. One week later the same holiday costs £788. Some parents are angry that they have been threatened by headteachers with a fine of £1000 for taking their children out of school during term time.

15

Some people say that travel companies such as TC are acting unethically by charging higher prices for the same holidays at different times of the year. Others deny this view, "it's a classic case of supply and demand," said one spokesman.

Adapted from *The Observer* 24.06.07 and the Thomas Cook Website (accessed 20.7.07)

Answer all questions.

- 1** State **three** factors that will affect the demand for holidays.

Factor 1

Factor 2

Factor 3 [3]

- 2 (a) State **two** social costs that could result from taking holidays abroad.

Social cost 1

Social cost 2 [2]

- (b) 'The government imposes a tax on all flights from the UK'. (Line 9). Analyse **one** likely effect of this tax on TC.

. [6]

- 3** One of TC's objectives is 'to expand in existing and new markets'. (Line 7)

(a) Analyse **two** human resource implications of this expansion.

[10]

. [10]

- (b) Other than human resource issues**, discuss the likely factors which will determine whether TC successfully meets this objective.

[14]

. [14]

- 4 (a) Identify **three** ways to assess the size of TC.

Way 1

Way 2

Way 3

- (b)** Outline **two** differences between a public limited company and a private limited company.

[41]

[4]

- *5** Discuss the extent to which TC's stakeholders might regard charging higher prices at different times of the year as being unethical.

[18]

. [18]



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