OCR
RECOGNISING ACHIEVEMENT

ADVANCED GCE

BUSINESS STUDIES

Business Production

F296

Candidates answer on the question paper.

OCR supplied materials:
- Resource booklet

Other materials required:
- A calculator may be used

Monday 24 January 2011
Afternoon

Duration: 2 hours

Candidate forename		Candidate surname	

Centre number						Candidate number				

INSTRUCTIONS TO CANDIDATES

- Write your name, centre number and candidate number in the boxes above. Please write clearly and in capital letters.
- Use black ink. Pencil may be used for diagrams only.
- The information required to answer questions 1–6 is contained within the resource booklet.
- Read each question carefully. Make sure you know what you have to do before starting your answer.
- Write your answer to each question in the space provided. Additional paper may be used if necessary but you must clearly show your candidate number, centre number and question number(s).
- Answer **all** the questions.
- Do **not** write in the bar codes.

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 when marking your answer to the question labelled with an asterisk (*).
- This document consists of **16** pages. Any blank pages are indicated.

A calculator may be used for this paper

© OCR 2011 [F/500/7954]
DC (CW) 28993/5

OCR is an exempt Charity

Answer **all** questions.

1 Analyse **one external** economy of scale which Mihail's business might experience.

..... **[6]**

© OCR 2011

2 Discuss whether value analysis might be useful for Mihail's business.

© OCR 2011

© OCR 2011

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... **[13]**

© OCR 2011

3 **(a)** Using Table 1, calculate how many bottles of First Press Premium Extra Virgin Olive Oil are required for Mihail's business to break-even in 2010 at a selling price of £2.23 per 0.5 litre bottle.

.....

.....

.....

.....

.....

.....

Answer: ..... **[3]**

(b) Mihail forecast that 152,300 bottles of First Press Premium Extra Virgin Olive Oil will be sold in 2011. Calculate the margin of safety.

.....

.....

Answer: ..... **[1]**

© OCR 2011

4 Analyse **two** possible disadvantages of using break-even analysis when Mihail is making output decisions.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... **[6]**

© OCR 2011

5 Evaluate the likely effectiveness of Mihail's method of quality control.

© OCR 2011

© OCR 2011

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... **[13]**

© OCR 2011

6* Considering production **and other issues**, should Mihail accept the German supermarket offer? Justify your view.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

© OCR 2011

© OCR 2011

..... [18]

© OCR 2011

BLANK PAGE

PLEASE DO NOT WRITE ON THIS PAGE

© OCR 2011

BLANK PAGE

PLEASE DO NOT WRITE ON THIS PAGE

© OCR 2011

PLEASE DO NOT WRITE ON THIS PAGE

RECOGNISING ACHIEVEMENT

Copyright Information

OCR is committed to seeking permission to reproduce all third-party content that it uses in its assessment materials. OCR has attempted to identify and contact all copyright holders whose work is used in this paper. To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced in the OCR Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download from our public website (www.ocr.org.uk) after the live examination series.

If OCR has unwittingly failed to correctly acknowledge or clear any third-party content in this assessment material, OCR will be happy to correct its mistake at the earliest possible opportunity.

For queries or further information please contact the Copyright Team, First Floor, 9 Hills Road, Cambridge CB2 1GE.

OCR is part of the Cambridge Assessment Group; Cambridge Assessment is the brand name of University of Cambridge Local Examinations Syndicate (UCLES), which is itself a department of the University of Cambridge.

© OCR 2011