OCR
RECOGNISING ACHIEVEMENT

Wednesday 11 January 2012 – Afternoon

AS GCE BUSINESS STUDIES

F291/01 An Introduction to Business

Candidates answer on the Question Paper.

OCR supplied materials:
None

Other materials required:
- A calculator may be used

Duration: 1 hour

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 graphs and diagrams only.
- 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 **12** pages. Any blank pages are indicated.

A calculator may be used for this paper

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McDONALDS UK

McDonalds is on most high streets. It provides popular fast food and creates thousands of jobs. However, it has been criticised for producing food which is high in fat, salt and sugar; and providing mainly unskilled, low paid jobs for its employees. McDonalds has always rejected these claims. It rebranded itself between 2000 and 2006 with a complete update of its product range. McDonalds also points out that its customer serving staff often go on to enjoy a highly successful career in the business. In 2009 the company was voted one of Britain's Top Employers.

Its website allows access to a huge amount of information. For example, it allows you to find out how ingredients are sourced and also to email in questions. It explains the company's ethical policy with regard to issues such as litter, waste, energy and the environment. It also explains the importance attached to "acting on the feedback given to us by our customers on their needs".

Many branches of McDonalds operate as a franchise. This route into opening a business is popular. There are a number of benefits to someone starting up a business with a well known brand name. However, a franchisee has to face the same sort of business problems as any other entrepreneur; for example, managing cash flow and motivating staff. The fast food market is competitive and new firms such as Wagamama and Yo! Sushi are entering all the time. Firms which 'get it wrong' quickly go out of business.

McDonalds recognises that not everyone is suitable to run a franchise. "You'll need a significant capital investment. As a guide, the cost of a franchise restaurant ranges from £125,000 to £325,000. We don't accept just anyone either. Ideally, you will already have a successful business or career."

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Answer **all** questions.

1 "Acting on the feedback given to us by our customers on their needs" (line 10) is important to McDonalds.

(a) State **two** reasons why McDonalds carries out market research into its customers' needs.

Reason 1 .....

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Reason 2 .....

..... **[2]**

(b) Outline **two** methods of obtaining primary data which McDonalds could use to gather information about its customers' needs.

Method 1 .....

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Method 2 .....

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..... **[4]**

(c) McDonalds will use sampling when researching customers' needs.

State **two** reasons why it would use sampling.

Reason 1 .....

.....

Reason 2 .....

..... **[2]**

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2 "Firms which 'get it wrong' quickly go out of business" (lines 15–16).

Analyse **one** way in which McDonalds could be affected by a reduction in competition.

You may draw a diagram in the space below as part of your answer, but it is not necessary in order to gain full marks.

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

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3 **(a)** Outline **two** reasons why McDonalds operates some of its branches as a franchise.

Reason 1 .....

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Reason 2 .....

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..... **[4]**

(b) Analyse **two** possible reasons why a person may choose to buy a McDonald's franchise rather than start their own fast food business.

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..... **[10]**

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4 McDonalds has an 'ethical policy with regard to issues such as litter, waste, energy and the environment' (lines 8–9).

Evaluate the likely reasons why McDonalds chooses to act ethically.

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5* **Other than ethics,** evaluate the factors which are likely to influence the future success of McDonalds in the UK.

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..... **[18]**

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