

Monday 21 May 2012 – Morning

AS GCE BUSINESS STUDIES

F292/01 Business Functions

Candidates answer on the Question Paper.

OCR supplied materials:

- Clean copy Case Study

Other materials required:

- A calculator may be used

Duration: 2 hours



Candidate forename		Candidate surname	
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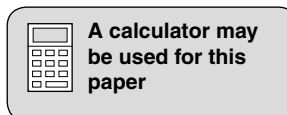
Centre number						Candidate number				
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INSTRUCTIONS TO CANDIDATES

- Write your name, centre number and candidate number in the boxes above. Please write clearly and in capital letters.
- Use black ink. HB pencil may be used for graphs and diagrams only.
- Answer **all** the questions. You should not need to spend more than 30 minutes on Section A.
- 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).
- 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 **90**.
- Your Quality of Written Communication will be assessed in questions marked with an asterisk (*). Marks will be awarded for spelling, punctuation and grammar, use of appropriate form and style of writing, and for organising work clearly and coherently.
- This document consists of **20** pages. Any blank pages are indicated.



Section A

Answer **all** questions.

Question 1 does **not** relate to the TSL case study.

1 (a) Identify **two** overheads which a business might have to pay.

- 1
- 2 [2]

(b) State **two** examples of below-the-line promotion.

- 1
- 2 [2]

(c) Define the term 'labour turnover'.

-
-
-
- [2]

(d) A business produces hand-printed T-shirts which sell for £15 each.
Fixed costs are £1,000 per month and variable costs are £10 per T-shirt.
Last month the business sold 215 T-shirts.

(i) Calculate the break-even level of output per month.

-
-
- [3]

(ii) Calculate the margin of safety last month.

-
- [1]

Section B

Answer **all** questions.

Questions 2–5 are based on the TSL case study. Your answers should make specific reference to the issues facing TSL.

- 2 (a) Hamza Bencheriff has estimated the net cash inflows for the proposed new production line for five years (lines 26–37).

Year	Net cash inflow
1	£10,000
2	£20,000
3	£20,000
4	£20,000
5	£20,000

- (i) Calculate the payback period.

.....
.....
..... [1]

- (ii) Calculate the accounting rate of return (ARR) over a five year period.

.....
.....
.....
..... [3]

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