OCR
RECOGNISING ACHIEVEMENT

Tuesday 4 June 2013 – Morning

AS GCE BUSINESS STUDIES

F292/01 Business Functions

Candidates answer on the Question Paper.

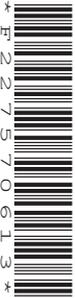**OCR supplied materials:**
* Clean copy Case Study

Other materials required:
* A calculator may be used

Duration: 2 hours

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 the question marked with an asterisk (*****).
* This document consists of **20** pages. Any blank pages are indicated.

A calculator may be used for this paper

Turn over
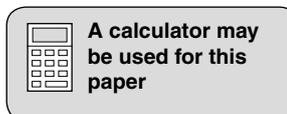
Section A

Answer **all** questions

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

1 **(a)** Identify **two** production methods.

1 ....

2 ....
[2]

(b) State what is meant by 'job enrichment'.

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.... **[2]**

(c) State **two** benefits to a firm of using market segmentation.

1 ....

2 ....
[2]

(d) The diagram below shows the stock levels of one raw material for a firm producing shoes.
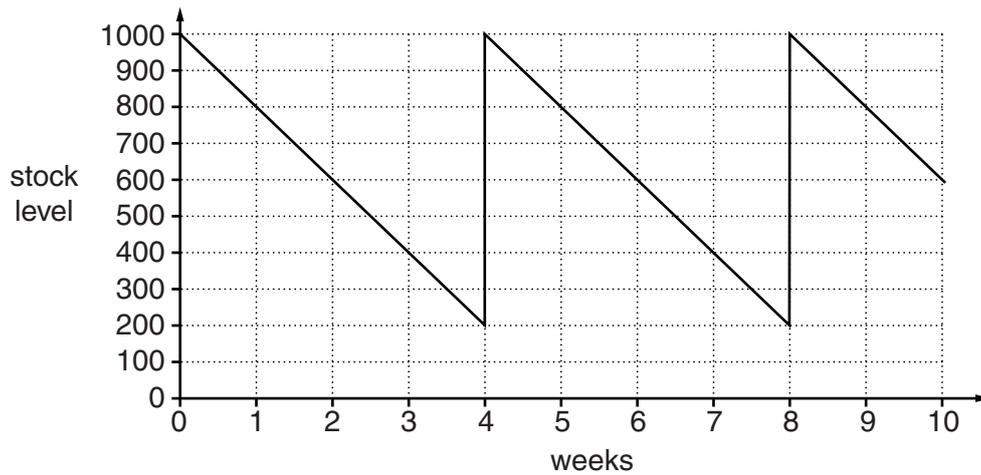
Using the diagram above:

(i) What is the maximum stock level?

.... [1]

(ii) What is the buffer stock level?

.... [1]

(iii) Calculate the average weekly stock usage.

.... [1]

(iv) If the lead time is one week, calculate the re-order level.

.... [1]

Turn over

(e) Explain **two** reasons why a firm produces final accounts, such as a profit and loss account (income statement) and a balance sheet.

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2 ....

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[4]

(f) Outline **two** consequences to a firm of de-layering its organisational structure.

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2 ....

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[4]

Section B

Answer **all** questions.

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

2 (a) Lewis Moffett has estimated the direct costs of producing the Heron sculpture are £500 per item. He has decided to allocate £5720 of annual overheads to this product.

Calculate the annual break-even level of output for the Heron sculpture.

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.... **[4]**

(b) Evaluate, given the circumstances MSDL faces, the usefulness of break-even analysis as a decision-making tool. **[16]**

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Turn over

3 The meeting with the four shopfloor supervisors did not go well (Lines 46–48). This was, in part, due to Tony's leadership style.

Discuss whether changes to Tony's leadership style could overcome MSDL's employees' resistance to the proposed changes. **[16]**

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Turn over

Turn over

4 Evaluate the extent to which MSDL will be able to achieve internal economies of scale from future growth if the proposed diversification into garden accessories proves to be successful. **[16]**

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5* Evaluate possible below-the-line promotional methods for MSDL's planned new products. **[20]**

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END OF QUESTION PAPER

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