

323/01

**BUSINESS STUDIES**

**BS3**

P.M. THURSDAY, 12 January 2006

(1 hour)

**ADDITIONAL MATERIALS**

In addition to this examination paper, you will need an 8 page answer book.

**INSTRUCTIONS TO CANDIDATES**

Answer **both** questions.

**INFORMATION FOR CANDIDATES**

Mark allocations are shown in brackets.

Candidates will be assessed on their quality of written communication i.e. the structure and presentation of ideas; the clarity of expression; grammar, punctuation and spelling. Up to three marks will be awarded for written communication.

No certificate will be awarded to a candidate detected in any unfair practice during the examination.

1. Study the information below and then answer the questions that follow.

It all seemed so trendy back in the eighties but times, like mobile phones, change. Just as we no longer want to wear shoulder pads, we don't want to hot-desk any more. Hot-desking, i.e. not having a desk of one's own, but using any available desk when called in to the office to work, is one of the factors that made **tele-working** (using technology to allow workers to work at home) so popular with employers. However, having nowhere to put our photos, our coffee cup and our mess is making us unhappy and unproductive according to The Marketing Professionals UK. The recruitment agency says: "It doesn't help with team-working and makes employees feel isolated and undervalued."

*Adapted from a report in The Times, April 2005 from [www.onrec.com](http://www.onrec.com)*

- (a) Explain the advantages **and** disadvantages of tele-working to the **employer**. [6]
- (b) Explain why team-working is considered important by **employers**. [6]
- (c) With reference to Maslow's hierarchy of needs, discuss the ways in which an employee's motivation might be affected by working at home. [8]

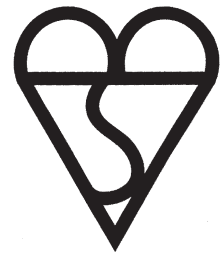
2. Study the information below and then answer the questions that follow.

## FROM RAIN TO SUNSHINE

Sally Jean discovered her talent whilst at school when she was asked to decorate a local restaurant for the end of year ‘prom’ or ball. She chose a rainforest theme with lots of bamboo and this was the birth of her small business with bamboo as her trade-mark material. She set up her interior design business to cater for the niche market. Since then, the orders have come in regularly for the design of places like restaurants, wedding venues, children’s nurseries, playgrounds and children’s bedrooms.

As the business grew, she expanded into the small-scale manufacturing of conservatory furniture for some of her clients. Her boyfriend Billy helped her; she designed it and he hand-crafted it. The business, although successful, is still small and Sally is eager to move into the mass market. She also intends applying for a **BSI Kitemark**. She wants to expand into the large-scale production of bamboo conservatory furniture. Much of the design work at the moment is done using a CAD package, and she thinks that she can use her skill to link this with a CAM package for the manufacture of the conservatory furniture.

The BSI Kitemark



With expansion in mind, Sally Jean has been gathering opinions from various sources and has received conflicting advice. Jim, her father, says she should start slowly and stick to job production. However, her boyfriend, Billy advises her that, unless she goes for batch or flow production, the venture won’t be profitable because she won’t be able to benefit from **internal economies of scale**. The local business development agency says that she should consider sub-contracting the work to a factory in China.

- (a) Briefly explain:
- (i) *why Sally Jean wants a BSI Kitemark;* [2]
  - (ii) *the meaning of internal economies of scale.* [4]
- (b) Explain the advantages to Sally of using CAD and CAM packages. [6]
- (c) Compare the suitability of job, batch and flow production methods for Sally Jean’s proposed new venture. [8]