

324/01

BUSINESS STUDIES

BS4

P.M. FRIDAY, 20 January 2006

(1¼ hours)

ADDITIONAL MATERIALS

In addition to this examination paper, you will need a 12 page answer book.

INSTRUCTIONS TO CANDIDATES

Answer **two** questions only.

You must **not** answer two questions from the same section.

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.

Answer **two** questions only. You must **not** answer two questions from the same section.

SECTION 1

Objectives and the Business Environment

1. (a) Explain, with examples, the difference between perfect competition and imperfect competition. [8]
- (b) Discuss the view that businesses in oligopolistic markets, such as petrol, banking and mobile phones, tend to act against the public interest. [12]
2. (a) Apart from the pursuit of profit, explain, with examples, what other aims and objectives a business may have. [8]
- (b) “A business’s main objective is the pursuit of profit and all other objectives are of secondary importance.” Discuss. [12]

SECTION 2

Marketing

3. (a) Explain how a business manufacturing snowboarding equipment might research its market. [8]
- (b) “Having the right product is far more important than any other aspect of marketing.” Discuss. [12]
4. (a) Explain the ways in which businesses market their products to **other businesses**. [8]
- (b) Discuss the view that the internet has eliminated the need for other methods of **industrial** marketing. [12]

SECTION 3

Accounting and Finance

5. (a) Explain the nature and purpose of budgets. [8]
- (b) Assess the view that organisations which over-emphasise the importance of budgets tend to lack the flexibility that is required for success. [12]
6. (a) Explain, with reference to a clothing retailer, the main elements of a cash flow forecast. [8]
- (b) Discuss the view that cash flow forecasts are of little practical use to a business. [12]

SECTION 4People in Organisations

7. (a) Explain, with examples, the rights and responsibilities of **employees** at work. [8]
(b) Discuss the view that, whilst UK legislation relating to employees at work is desirable, it limits enterprise and, therefore, restricts employment opportunities. [12]
8. (a) Explain briefly the ways in which developments in information technology have transformed the workplace. [8]
(b) “The introduction of information technology is always to the advantage of employers, but is generally of little benefit to employees.” Discuss. [12]

SECTION 5Operations Management

9. (a) Explain how **and** why stock is controlled in manufacturing industry. [8]
(b) Discuss the view that effective stock control is the most important aspect of lean production. [12]
10. (a) Explain, with an example, the nature and purpose of cost-benefit analysis. [8]
(b) “The strengths of cost-benefit analysis as a decision-making technique outweigh its weaknesses.” Discuss. [12]