

Candidate Name	Centre Number	Candidate Number

WELSH JOINT EDUCATION COMMITTEE  
 General Certificate of Education  
 Advanced Subsidiary/Advanced



CYD-BWYLLGOR ADDYSG CYMRU  
 Tystysgrif Addysg Gyffredinol  
 Uwch Gyfrannol/Uwch

321/01

**BUSINESS STUDIES**

**BS1**

P.M. MONDAY, 4 June 2007

(1 hour)

<b>For Examiner's Use Only</b>		
<b>Question</b>	<b>Maximum Mark</b>	<b>Examiner's Mark</b>
1	18	
2	12	
3	20	
QWC	3	
Total	53	

**INSTRUCTIONS TO CANDIDATES**

Answer **all** the questions in the spaces provided.

Write your name, centre number and candidate number in the spaces at the top of this page.

**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 **all** the questions in the spaces provided.

**1. Cost of smoking ban is 11% drop in profits**

Pubs group, JD Wetherspoon, continued to support plans for a UK-wide smoking ban, despite seeing profits at its already fume-free Scottish pubs fall by 11%. The chain, which already has smoking bans at 92 of its 657 UK pubs, said it expected an impact from the new legislation in 2007, but added that it was sure that the long-term benefits would outweigh any short-term difficulties.

The JD Wetherspoon Group has already banned smoking in 17 locations in England and Wales in 2005 and this resulted in drink sales falling by 6.5% in these outlets. On the other hand, food sales have increased and drink sales have slowly started to improve in these pubs in 2006.

*Adapted from Western Mail, 9 September 2006*

(a) Identify and explain how **two** areas of legislation, other than the anti-smoking legislation, may impact upon the JD Wetherspoon Group. [6]

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(b) How might the long-term benefits of banning smoking in its outlets outweigh any short-term difficulties for the JD Wetherspoon Group? [6]

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2. John Young began his working life in a **workers' co-operative**, manufacturing packaging material. Although he enjoyed his work, John was frustrated by the relatively low wages and he decided to leave the co-operative, having been invited by one of its local competitors, JCL Ltd., to join its board of directors. John had to re-mortgage his house to raise the £30 000 needed to become a shareholder and has not looked back since. Today, JCL Ltd. has reached a point where it has 4% of the UK market. A number of the shareholders on the board see an opportunity for the business to grow even further and they want to float the company on the stock market, as a public limited company (plc).

(a) Outline the main characteristics of a *workers' co-operative*. [4]

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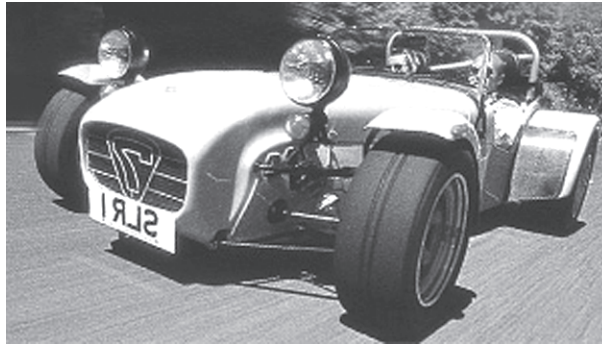
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### 3. The ‘Caterham Seven’ is a car with history



Manufactured in Kent, the Caterham Seven is everyone’s idea of a traditional sports car. Best known as the car featured in the 1960s cult TV programme, the Prisoner, it is the most raced car in the world, and still claims to be the fastest production car on the planet – managing 1-60 mph in 3.4 seconds. Six hundred are manufactured each year, with a good deal of **value added** in the production process.

The ‘Seven’ may only form a fraction of the 2.5 million new car market but Simon Neale, the firm’s MD, is sure that the business will continue to grow and create more jobs, in a secondary sector industry that has generally been in decline in the UK over the last 20 years.

Caterham sells cars as far afield as Japan, South Africa, South America and Australia: but closer to home in Europe they have found drawbacks, especially when it comes to complying with the ever-changing European Union regulations.

*Adapted from newsvote.bbc.co.uk, 22 September 2006*

(a) Explain what is meant by the term *value added* in the production process.

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