

Write your name here

Surname

Other names

Centre Number

Candidate Number

Edexcel GCE

Business Studies

Advanced

Unit 4A: Making Business Decisions

Tuesday 22 June 2010 – Morning

Time: 1 hour 30 minutes

Paper Reference

6BS04/01

You must have:

Insert containing all source material (enclosed)

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** the questions in Section A and Section B.
- Answer the questions in the spaces provided
– *there may be more space than you need.*
- You may use a calculator.

Information

- The total mark for this paper is 80.
- The marks for **each** question are shown in brackets
– *use this as a guide as to how much time to spend on each question.*
- Quality of written communication will be taken into account in the marking of your response to Questions 7 (a) and 7 (b) in Section B. These questions are indicated with an asterisk*
– *you should take particular care with your spelling, punctuation and grammar, as well as the clarity of expression.*
- Candidates are expected to be familiar with Evidence A to H for this paper before the examination.

Advice

- Read each question carefully before you start to answer it.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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Section A

Evidence A to H was pre-issued before the date of the examination.

Using ALL the evidence and your own knowledge, answer all six questions (total 30 marks).

Time allowed (35 minutes).

Additional Evidence I

Brompton

Our brief is simply to make products which are functional and a pleasure to use. In particular, the bikes themselves should be as light as practical without compromising handling or safety, and the folded package has to be easy to carry and difficult to damage. Aesthetics are not a design consideration... although sound design usually looks good, and I think it's fair to say that this applies to the Brompton.

5

That's as close to a mission statement as Brompton Bicycle will ever get; we are uncompromisingly an engineering-led company, and marketing waffle is given short shrift here.

(Source: adapted from <http://www.brompton.co.uk>)

1 What is meant by the term 'mission statement' (see Evidence I, line 6)?

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(Total for Question 1 = 2 marks)

2 What is meant by the term 'current ratio'?

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(Total for Question 2 = 2 marks)



3 Explain **two** distinctive capabilities which provide competitive advantage to Brompton Bicycle Limited.

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(Total for Question 3 = 5 marks)

4 Briefly comment on the likely impact on Brompton Bicycle Limited's corporate strategy of policies such as the Green Transport initiative (see Evidence A, line 17).

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(Total for Question 4 = 4 marks)



Section B

Decision making report

Read the following evidence carefully.

Using ALL the evidence and your own knowledge, answer both parts of the question (total 50 marks).

Time allowed (55 minutes).

*7 Brompton is considering the development of a new bicycle model and Will Butler-Adams has asked you to construct a decision tree which is appended below. Options are to:

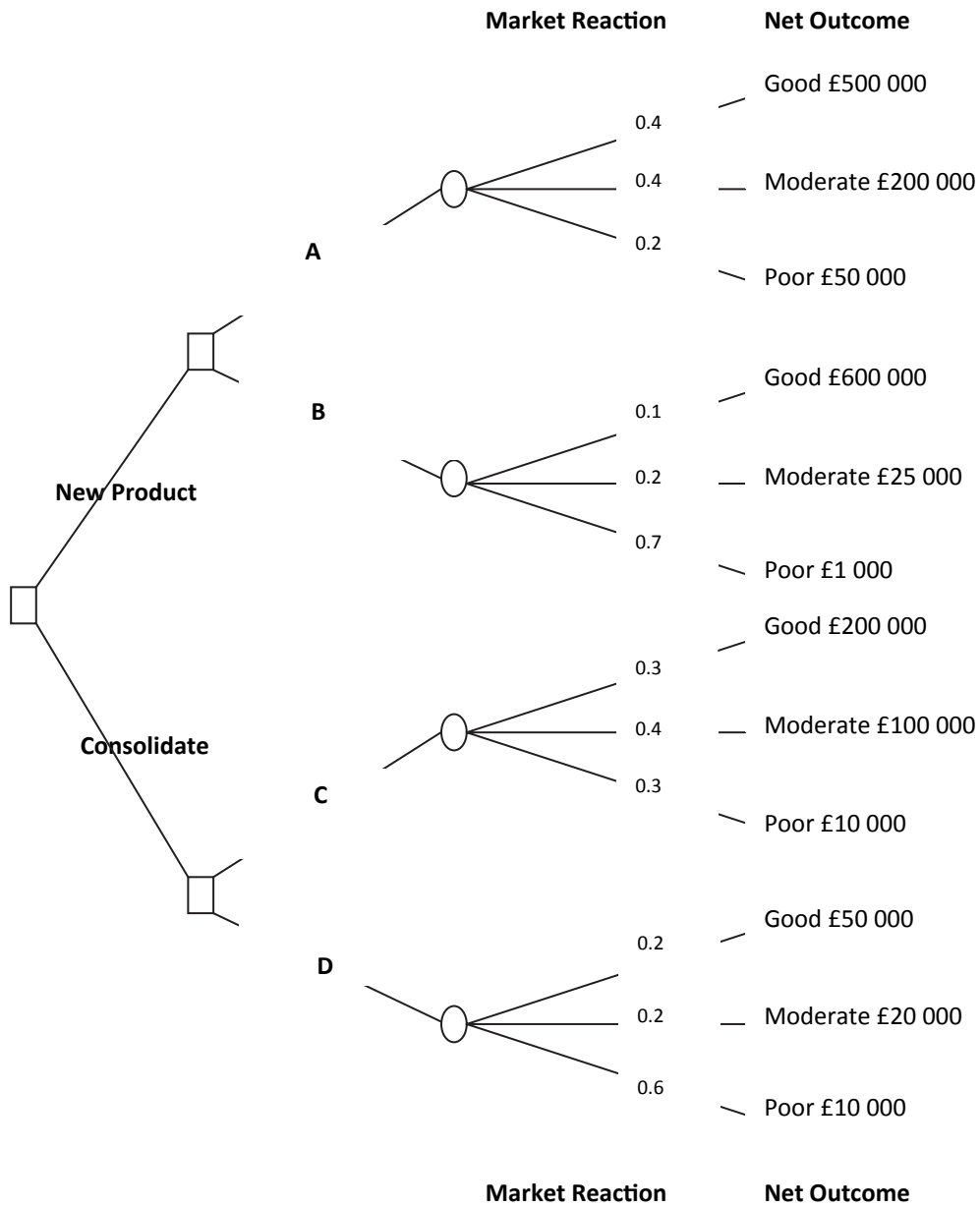
- (a) thoroughly develop and test the product,
- (b) rapidly get a new product to market,
- (c) further develop an existing model or
- (d) simply further advertise the existing range.

Probability factors are based on the reactions of a focus group of folding bicycle owners.



(a) Using the decision tree and other evidence, advise Butler Adams how he should proceed.

(20)



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Lined writing area with horizontal dashed lines.



Lined writing area with horizontal dotted lines.



(b) Evaluate the extent to which Brompton should develop its markets.

(30)

A series of horizontal dotted lines for writing the answer.



Handwriting practice area with 25 horizontal dotted lines.



