

Write your name here

Surname

Other names

Centre Number

Candidate Number

Edexcel GCE

Business Studies

Advanced Subsidiary

Unit 2A: Managing the Business

Tuesday 4 June 2013 – Morning

Time: 1 hour 15 minutes

Paper Reference

6BS02/01

You do not need any other materials.

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** 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 70.
- 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 Question 12 in Section B. This question is indicated with an **asterisk*** – *you should take particular care on this question with your spelling, punctuation and grammar, as well as the clarity of expression.*

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

Answer ALL the questions in this section.

Write the letter of your chosen answer in the box and then explain your choice in the space provided.

You should spend 30 minutes on this section. Use the data to support your answers where relevant. You may annotate and include diagrams in your answers.

- 1** (a) The George and Dragon public house in North Yorkshire has seen its sales fall. It recently opened a small library within the public house.

The reason for doing this was to increase the

(1)

- A** price elasticity of beer
- B** sale of books
- C** brand awareness of alcoholic products
- D** amount of beer sold

Answer

- (b) Explain your answer.

(3)

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(Total for Question 1 = 4 marks)



2 (a) Anthony Lau, founder of the London based Cycle Hoop firm, has patented an invention for a new bicycle lock.

The **most likely** reason for Anthony doing this is to

(1)

- A increase the number of cyclists in London
- B prevent other inventors from patenting their own designs
- C prevent others from copying his design
- D reduce the number of cycle thefts in London

Answer

(b) Explain your answer.

(3)

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(Total for Question 2 = 4 marks)



3 (a) Mary Lewis manufactures jewellery of African design in the UK. Her sales revenue in 2011 was £20 000.

Which **one** of the following is **most likely** to be one of Mary's marketing objectives?

(1)

A Grow into the mass market

B Maintain market share

C Increase cash flow

D Decrease advertising spend

Answer

(b) Explain your answer.

(3)

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(Total for Question 3 = 4 marks)



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Questions 4 and 5 relate to the cash flow forecast below.

4 (a) Chris Binks' hobby of painting model soldiers has provided him with a business opportunity to sell them. In his business plan he prepared the following cash flow forecast.

£	January	February	March
Cash Inflows:			
Sales	3 000	5 000	6 000
Cash Outflows:			
Production Materials	600	1 000	1 200
Wages	1 500	1 750	1 750
Overheads	900	900	800
Total	3 000	3 650	X
Net Cash Flow	–	1 350	Y
Opening balance	2 500	2 500	3 850
Closing balance	2 500	3 850	Z

Which **one** of the following is the Net Cash Flow (**Y**) for March?

(1)

- A** 2 250
- B** 3 750
- C** 3 850
- D** 6 100

Answer

(b) Explain your answer (show your workings).

(3)

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(Total for Question 4 = 4 marks)



5 (a) Assume that in March Chris's sales had been 10% higher than forecast and cash outflows were £4 000, what would the closing balance (**Z**) be? (1)

A £2 600

B £3 850

C £6 450

D £6 600

Answer

(b) Explain your answer (show your workings). (3)

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(Total for Question 5 = 4 marks)



6 (a) HSBC Bank believes in flexible working and has given one third of its UK staff the choice to work from home.

Which **one** of the following is the **least likely** consequence of working from home?

(1)

- A Lower rate of absenteeism
- B Higher productivity
- C Better staff retention
- D Reduced communication problems

Answer

(b) Explain your answer.

(3)

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(Total for Question 6 = 4 marks)

TOTAL FOR SECTION A = 24 MARKS



SECTION B

Answer ALL the questions in this section.

You are advised to spend 45 minutes on this section.

Evidence A

To be Lean, or not to be Lean? That is the question.

In the 1990s, Toyota became one of the world's largest automobile companies. It is renowned for its advanced product design and manufacturing efficiency. Toyota operates many factories across the world. The company benefited from lean production management such as 'Just In Time' (JIT) stock control. In the early 2000s, the rest of the car industry, including Jaguar, tried to catch up. The principle of lean production management was also adopted by the pharmaceutical industry, where AstraZeneca used it to implement a culture of continuous improvement and excellence in manufacturing by eliminating waste.



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One aspect of lean production management at Toyota is to use identical car parts across multiple models and brands. This helps to shorten product development lead-times. However, this means that a simple fault in one car part can have far reaching consequences for the manufacturer.

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In October 2010, Nissan recalled over 2 million cars worldwide after a fault in a common car part was spotted. In the same month BMW also had a product recall. Earlier in the year, and again in 2011, Toyota – often regarded as the most reliable car manufacturer – had similar recalls. All three car manufacturers had adopted lean production management.

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An article in the Toronto Star newspaper blamed lean production management for some of the problems facing car manufacturers. Using identical parts for many models and brands and reducing the number of suppliers, reduces waste but increases risk.

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Quality management is supposed to reduce the risks by detecting faulty parts before they are used. The technique of quality assurance involving self-checking should be applied at every stage of the supply chain, including design, engineering, management and service. If anybody working on a car manufacturing production line spots a problem with a particular car part they can report this and it will be acted upon or corrected. This would mean that faulty cars should never make it to market.

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Has lean production management gone too far?



7 Explain **one** reason why a car manufacturer, such as Nissan, would aim to reduce cash tied up in stock.

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(Total for Question 7 = 4 marks)



8 Why might car manufacturers want to achieve a short product development lead-time?

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(Total for Question 8 = 4 marks)



9 With reference to Toyota, explain **two** purposes of consumer protection legislation.

(Total for Question 9 = 6 marks)



10 Assess the likely effects on a large car manufacturer of having a tall organisational structure.

A series of horizontal dotted lines for writing the answer to Question 10.

(Total for Question 10 = 8 marks)



11 Evaluate the likely effect on Toyota's future sales of a product recall.

A series of horizontal dotted lines for writing the answer.



(Total for Question 11 = 10 marks)



P 4 2 2 9 4 A 0 1 5 2 0

***12** Evaluate the likely importance to Toyota of:

(a) Just In Time (JIT) management of stock

(7)

A series of horizontal dotted lines provided for writing the answer to the question.



(b) product design.

(7)

Area with horizontal dotted lines for writing.

(Total for Question 12 = 14 marks)

**TOTAL FOR SECTION B = 46 MARKS
TOTAL FOR PAPER = 70 MARKS**



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