



GCE AS/A LEVEL – NEW

2510U20-1



BUSINESS – AS unit 2
Business Functions

FRIDAY, 26 MAY 2017 – AFTERNOON

2 hours

2510U201
01

ADDITIONAL MATERIALS

In addition to this examination paper, you will need:

- a WJEC pink 16-page answer booklet, which has been specifically designed for this examination paper. No other style of answer booklet should be used.
- a calculator.

INSTRUCTIONS TO CANDIDATES

Use black ink or black ball-point pen. Do not use pencil or gel pen. Do not use correction fluid.

Answer **all** questions.

Write your answers in the separate answer booklet provided following the instructions on the front of the answer booklet.

Use both sides of the paper. Write only within the white areas of the booklet.

Write the question number in the two boxes in the left hand margin at the start of each answer, e.g.

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Leave at least two line spaces between each answer.

INFORMATION FOR CANDIDATES

The number of marks is given in brackets at the end of each question or part-question.

You are reminded of the need for good English and orderly, clear presentation in your answers.

Answer all the questions.

1. New flavours for Cup Soup

Following the success of its launch in July 2015, Heinz is adding new flavours to its Cup Soup range: Cream of Mushroom, Oxtail, Minestrone and Cream of Tomato with a Hint of Basil.

Joining these new additions in March there will also be three recipes from the popular Heinz Black Label range; Cream of Tomato with a Kick of Chilli, Cream of Tomato with Fiery Mexican Spices and Cream of Chicken with Aromatic Thai Spices.



Source: www.heinz.co.uk December 14, 2015

A visit to the Heinz website will soon make you aware of the vast range of products that the company has on offer. The Heinz **product portfolio** is constantly changing and it is the role of Heinz brand managers to ensure that they stay ahead of their competitors. A useful technique which allows businesses to analyse their product portfolios is the Boston Matrix.

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| 1 | 1 | Outline the key features of the Boston Matrix. | [4] |
| 1 | 2 | Consider the benefits and limitations to a business, such as Heinz, of using the Boston Matrix. | [10] |

Heinz products are to be found in a large variety of retail outlets in the UK – ranging from supermarkets to the shelves of the smallest village shops. Heinz beans are served for breakfast in the major hotel chains in major cities, as well as tiny bed and breakfast businesses throughout the countryside and seaside resorts.

Delivering to the massive warehouses of the major supermarkets is a straightforward method of distributing their products for a business such as Heinz. However, reaching its smaller customers is often achieved with the use of a range of wholesalers, who provide a very valuable service to both producers and retailers.

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| 1 | 3 | What is a distribution channel? | [2] |
| 1 | 4 | Evaluate the impact of selecting the right distribution channels on Heinz and its stakeholders. | [8] |

2. Inequalities in the work place

New research has found that women bosses in the UK work unpaid for almost two hours a day, when comparing their salaries to male counterparts.

Chartered Management Institute (CMI) Chief Executive Ann Francke says businesses can't publish their pay gaps soon enough.

Women bosses work unpaid for around 1 hour 40 minutes every day. That's 57 days every year that women work for free compared to men, according to research published by the CMI.



Source: www.telegraph.co.uk
August 19, 2014

In 2015 the average pay for women managers is £30,612, while a man in an equivalent job is paid £39,136 – something which is completely unacceptable 45 years after the introduction of the Equal Pay Act in 1970. The law states that employers must pay men and women who hold identical jobs, equally. To do otherwise is gender **discrimination** and illegal. Put simply, the gender pay gap highlights the fact that women hold 67 per cent of junior-level management roles, but make up just 29 per cent of company directors.

This latest report comes at an interesting time, just ahead of the Government's plan to force businesses of 250-plus employees to report on what they pay their men and women.

The CMI has advised organisations on what they can do to close the pay gap with a number of practical recommendations, such as flexible working arrangements – which have been available for all UK employees to request since June 2014.

Having already taken a positive approach, big businesses, such as accountancy firms Deloitte and PwC, understand that to attract the best women into their ranks they have to communicate that their salary and career prospects will not be harmed by their gender. Clearer employee data, improved recruitment and **flexible working** will help unblock the talent pipeline. The introduction of new Government legislation spells great news for women and businesses alike.

Source: *The Telegraph* 10 December 2015

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| 2 | 1 | Calculate the percentage gap between the average pay for women managers compared with the average pay for male managers in the UK in 2015. [3] |
| 2 | 2 | Other than equal pay, explain the areas of discrimination that businesses must address to comply with equal opportunities requirements in the workplace. [6] |
| 2 | 3 | 'UK businesses can only benefit from ensuring that their female managers are paid the same as their male counterparts.' Discuss. [10] |
| 2 | 4 | Explain how the introduction of certain flexible working arrangements may assist female managers in achieving their career ambitions. [9] |

3. All change at Cross Roads Transport Ltd

Cross Roads Transport Ltd, a family business employing 320 staff and set up in 1960, had recently been taken over by Carlton Plc. Carlton Plc is a rapidly growing clothing manufacturer seeking to set up its own distribution operation as the cost of using contractors is constantly rising.

Carlton Plc put three of its best senior managers to supervise the takeover of Cross Roads Transport Ltd.

Responsibilities for the three senior managers had been divided into three specific areas:

- Finance – Joshua Ball
- Operations – Graham Hepworth
- Human Resources – Shirley Jones

At the end of the first month the three held a meeting to discuss their findings and prepare a report for the directors of Carlton Plc.

Table 1

	Number of deliveries per month	Number of drivers employed per month	Productivity per driver (deliveries)
January 2016	24 500	98	250
June 2016	24 072	102	236

Graham opened the discussion: 'Figures I have been examining indicate that there is an issue with the productivity of the delivery drivers over the last six months. There are too many errors made in relation to delivery to clients and in vehicle maintenance. The drivers and fitters, many of whom have been here for years and are very experienced, are very worried about what changes we might introduce. It is rumoured that they are reluctantly looking for jobs elsewhere'.

Joshua also had concerns. 'The finances are in a bit of a mess, frankly, but we knew this prior to the takeover. What I didn't anticipate is the degree of incompetence amongst the departmental heads: half of them had a 40% plus overspend on their departmental budgets last financial year – and one actually underspent by 50%! When looking at their files, I noticed that not one of them had received any financial awareness training since being appointed'.

'None of this surprises me' Shirley responded. 'Having spent some time with the previous directors I can honestly say that I have never met such an **autocratic** group of leaders in my life. Human resource management in this business seems to consist of 'hiring and firing' and not much else. The staff turnover figure for 2015-16 was 20% and absenteeism was not much better. I have interviewed all the departmental managers and it was extremely difficult to get them to open up and offer an opinion as to what the problems of the business might be. Potentially there are some good managers in this business but they have not been given the chance to develop either themselves or their departments. In fact, I would say that the majority of the people employed in this company are de-motivated. They do what they have to do and little more. They are an underutilised resource'.

Graham concluded: 'It seems to me that we need to recommend setting up a programme of **total quality management** in line with the one we currently operate at Carlton in order to ensure that we have a new distribution operation that we can rely on to help our business move forward'.

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 Assuming that the average number of staff employed by Cross Roads Transport Ltd in the period 2015-2016 was 320, calculate the number of staff who left over that period. [3]
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 With reference to Table 1 comment on Graham Hepworth's concern that productivity is an issue in relation to deliveries over the last six months. [3]
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 To what extent do you agree that setting budgets is crucial to success when running a business such as Cross Roads Transport Ltd? [6]
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 Explain the concept of *total quality management* and illustrate the ways in which it can be achieved at Carlton Plc's new distribution operation at the former Cross Roads Transport Ltd. [8]
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 Explain what is meant by an *autocratic* leadership style and consider what impact such a management style might have had on the employees of Cross Roads Transport Ltd. [8]

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