

**ADVANCED SUBSIDIARY GCE
 APPLIED BUSINESS**

F242

Unit 3: Understanding the Business Environment

WEDNESDAY 9 JANUARY 2008

Morning

Time: 1 hour 30 minutes

Candidates answer on the question paper.

Additional materials (enclosed): Clean Copy Case Study F242/CS

Additional materials (required):

Calculator



Candidate Forename

Candidate Surname

Centre Number

Candidate Number

INSTRUCTIONS TO CANDIDATES

- Write your name in capital letters, your Centre Number and Candidate Number in the boxes above.
- Use blue or black ink. Pencil may be used for graphs and diagrams only.
- Read each question carefully and make sure that you know what you have to do before starting your answer.
- Answer **all** the questions.
- Do **not** write in the bar codes.
- Do **not** write outside the box bordering each page.
- Write your answer to each question in the space provided.
- Additional answer space is available on the lined pages at the back of this booklet. Answers on these pages **must** be clearly numbered.

INFORMATION FOR CANDIDATES

- The number of marks for each question is given in brackets [] at the end of each question or part question.
- The total number of marks for this paper is **100**.
- The quality of written communication will be taken into account in marking your answer to the question marked with an asterisk (*).

FOR EXAMINER'S USE	
1	
2	
3	
4	
TOTAL	

This document consists of **13** printed pages, **2** lined pages and **1** blank page.

- 1 (a) Other than Wayne and Cheryl, identify **two** stakeholders in *Wayne's Gardening Services* (WGS).

Stakeholder 1:

Stakeholder 2: [2]

- (b) What is meant by a sole trader business?

.....

.....

.....

..... [2]

- (c) State **three** problems associated with operating a business as a sole trader.

Problem 1:

.....

Problem 2:

.....

Problem 3:

..... [3]

- (d) What is meant by a franchise?

.....

.....

.....

..... [2]

(d) In practice the work took four days, the equipment was needed for all four days, Charlie worked a total of 34 hours and the cost of petrol was £36.

Calculate the:

(i) profit or loss made by Wayne on this job; [4]

Show your working:

Answer: £

(ii) total profit variance. [2]

Show your working:

Answer: £

(e) Cheryl is trying to persuade Wayne to purchase a personal computer to improve the administration of his business.

Using the table below, identify for a small business such as WGS:

- **three** ways in which ICT could be used;
- **three** advantages of using ICT;
- **three** costs associated with the introduction and use of ICT.

[9]

Three ways in which ICT could be used	<p>1.</p> <p>.....</p> <p>2.</p> <p>.....</p> <p>3.</p> <p>.....</p>
Three advantages of using ICT	<p>1.</p> <p>.....</p> <p>2.</p> <p>.....</p> <p>3.</p> <p>.....</p>
Three costs associated with the introduction and use of ICT	<p>1.</p> <p>.....</p> <p>2.</p> <p>.....</p> <p>3.</p> <p>.....</p>

[Total: 22]

- 4 (a) (i) Identify and describe **two** ways in which a change in the **political** environment could affect Wayne's business.

Way 1:

.....

Description:

.....

Way 2:

.....

Description:

..... [4]

- (ii) Identify and describe **two** ways in which a change in the **social** environment could affect Wayne's business.

Way 1:

.....

Description:

.....

Way 2:

.....

Description:

..... [4]

(b) What is meant by each of the following terms:

- inflation?
.....
.....
.....
 - interest rate?
.....
.....
.....
 - unemployment?
.....
.....
.....
- [6]

15
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