

General Certificate of Education  
June 2007  
Advanced Subsidiary Examination



**BUSINESS STUDIES**  
**Unit 3**

**BUS3**

Monday 4 June 2007 1.30 pm to 2.30 pm

**For this paper you must have:**

- a clean copy of the Case Study (enclosed)
- an 8-page answer book.

You may use a calculator.

Time allowed: 1 hour

**Instructions**

- Use blue or black ink or ball-point pen.
- Write the information required on the front of your answer book. The *Examining Body* for this paper is AQA. The *Paper Reference* is BUS3.
- Answer **all** questions.
- Do all rough work in the answer book. Cross through any work you do not want to be marked.

**Information**

- The maximum mark for this paper is 53.  
Three of these marks will be awarded for using good English, organising information clearly and using specialist vocabulary where appropriate.
- The marks for questions are shown in brackets.

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Answer **all** questions.

Where appropriate, use examples from the Case Study to support your answers.

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- 1 Outline **two** possible disadvantages to Jeremy of the business converting from a sole trader to a private limited company (Ltd). (6 marks)
- 2 Analyse **two** examples of UK or EU laws which might have acted as constraints on the performance of *Smile Magazines Ltd*. (8 marks)
- 3 To what extent did *Smile Magazines Ltd* meet its social responsibilities? (15 marks)
- 4 Explain how the forecast changes in the £/€ exchange rates (**Table 7**) might affect *Smile Magazines Ltd*'s ability to succeed in Eire (the Irish Republic). (6 marks)
- 5 After the final discussion, *Smile Magazines Ltd* decided to introduce a strategy of targeting a magazine at consumers in the 30–39 age range.

Evaluate whether the company should have chosen to target this age group rather than targeting consumers between the ages of 20–29. (15 marks)

**END OF QUESTIONS**