



General Certificate of Education
Advanced Level Examination
January 2013

Business Studies

BUSS4

Unit 4 The Business Environment and Managing Change

Thursday 24 January 2013 9.00 am to 10.45 am

For this paper you must have:

- an AQA 12-page answer book.
You may use a calculator.

Time allowed

- 1 hour 45 minutes

Instructions

- Use black ink or black 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 BUSS4.
- Answer **one** question from **Section A** and **one** question from **Section B**.
- Do all rough work in your answer book. Cross through any work you do not want to be marked.

Information

- The marks for questions are shown in brackets.
- The maximum mark for this paper is 80.
- You will be marked on your ability to:
 - use good English
 - organise information clearly
 - use specialist vocabulary where appropriate.

Research Theme – Takeovers and Mergers

In your research on takeovers and mergers you should consider:

- the motives for takeovers and mergers and how these link with corporate strategy
- the problems of takeovers and mergers including difficulties integrating businesses successfully
- the factors influencing the success of takeovers and mergers
- the impact of takeovers and mergers on the performance of the businesses involved
- the impact on, and reaction of, stakeholders to takeovers and mergers
- the reasons why governments might support or intervene in takeovers and mergers.

You are strongly recommended to compare and contrast a number of different takeovers and mergers.

You should make reference to your research in your responses to **Section A** in the examination.

SECTION A

Answer **one** question from this section.

Read the item below and then answer **one** of the questions that follow.

Thomas Cook

Thomas Cook is one of the UK's largest holiday companies. It includes brands such as Club 18-30 and Thomson Cruises, as well as a travel agency business with 780 high street outlets.

In 2011, Thomas Cook proposed a merger with The Co-operative Travel, a chain of travel agents with 360 high street outlets in the UK. This merger was referred to the Competition Commission because of fears that it might make it harder for smaller, independent holiday companies that were currently selling through The Co-operative Travel to continue to access the market. The merger might also result in customers having less choice of holidays and paying higher prices.

The merger could lead to hundreds of job losses with the closure of some of the high street outlets and to other cost savings being made.

A spokesperson for Thomas Cook said that the travel industry needed to consolidate and become more efficient following a terrible year in which holiday companies and travel agents had suffered from the recession, rising oil prices and bad weather. He estimated that the merger could lead to overall savings of £35 million a year.

EITHER

0 1 With reference to your own research and the item above, to what extent do you think that stakeholders are always worse off following a merger or takeover? *(40 marks)*

OR

0 2 With reference to your own research and the item above, to what extent do you think that the best reason to undertake a merger or takeover is to increase efficiency? *(40 marks)*

Turn over for Section B

Turn over ►

SECTION B

Answer **one** question from this section.

EITHER

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The external environment in which businesses operate can have a significant effect on their success. To what extent do you think that the external environment in the UK is favourable for businesses at the moment? Justify your answer with reference to external factors and/or businesses that you know. *(40 marks)*

OR

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Wal-Mart, the world's largest retailer, operates 8400 stores, has over two million employees and handles over 200 million customer transactions each week. The company invests heavily to ensure that it manages information effectively in all areas of its business. To what extent has managing information effectively become the key to being market leader? Justify your answer with reference to Wal-Mart and/or other organisations that you know. *(40 marks)*

OR

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Several businesses, such as Primark and Nestlé, have been accused of being unethical in recent years. Do you think it is essential for managers to take ethics into consideration when making decisions nowadays? Justify your answer with reference to Primark, Nestlé and/or other businesses that you know. *(40 marks)*

END OF QUESTIONS