

Version 1.1



General Certificate of Education
Advanced Level Examination

Business Studies

BUSS4

Unit 4 The Business Environment and Managing Change

Specimen paper for examinations in June 2010 onwards

This question paper uses the [new numbering system](#) and [new AQA answer book](#)

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 that 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 - Globalisation

Candidates should consider issues such as:

- the meaning of globalisation
- the different opportunities and threats created for businesses by greater globalisation
- the possible reasons for businesses operating more globally
- the possible benefits, costs and risks for different businesses of operating globally
- how businesses may organise themselves when operating globally and strategies they might adopt, eg extent to which they adjust to local conditions or decide to recruit locally
- the opportunities and threats created by globalisation and the factors influencing how businesses respond to these
- social, environmental and ethical issues resulting from organisations operating more globally
- the significance of globalisation for businesses and their stakeholders
- how businesses might change or develop their strategies as markets become more global and/or when operating in more global markets.

Candidates are encouraged to study these issues in the context of business case studies.

Section A

Answer **one** question from this section.

Read **Articles A** and **B** and then answer the question that follows.

Article A

In 1984 Nike closed down its last athletic shoe manufacturing plant in the United States. 65,000 workers in those plants lost their jobs. Nike moved its production to China, Indonesia, the Philippines, South Korea and Vietnam to benefit from cheap labour. Given that it had been paying its workers in the United States between \$8 to \$11 an hour, Nike found it more profitable to go where the pay was \$2.60 for a ten hour day. The price of its shoes did not decline correspondingly. Nike made record profits and launched a multi-million dollar international advertisement campaign; this included high paid endorsements. Basketball Star Michael Jordan was paid \$20 million dollars.

Article B

According to the Organisation for Economic Cooperation and Development, a growing number of economists are expressing concern about the number of losers from globalisation. Despite strong economic growth many workers in developed countries are struggling to find well-paid work amid a combination of cheap imports, the relocation of factories and offices to low-wage countries, and changing technology.

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With reference to **Articles A and B** above **and** your own research, discuss the view that global expansion is inevitably unethical. (40 marks)

Read **Article C** and then answer the question that follows.

Article C

In the 1970s and 1980s Coca Cola, the soft drinks producer, was moving towards consolidation and centralised control. The aim was to go global and expand geographically into many more countries. However, in the 1990s the world began to move in a different direction.

The Chairman of Coca Cola said: "The very forces that were making the world more connected and homogeneous were simultaneously triggering a powerful desire for local autonomy and preservation of unique cultural identity. The world was demanding greater flexibility, responsiveness and local sensitivity. Nimbleness, speed, transparency and local sensitivity had become essential to success."

The Coca Cola Company now sees itself not as a global organisation, but as a multi-local enterprise. Its global strategy is to allow its businesses in more than 200 countries to act according to local needs, local laws, local cultures, and so on. It thinks globally, but acts locally. According to its Chairman, this will be the source of achieving successful and prosperous business activities, and maintaining them, during the twenty-first century.

Source: Svensson.G., Management Decision, 2001, Volume 39

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With reference to **Article C** above **and** your own research, to what extent is the multi-local approach to operating in global markets the right strategy for all organisations? (40 marks)

SECTION B

Answer **one** question from this section.

You are encouraged to use relevant business examples, theories, studies or data to support your arguments.

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 “The key to successful business today is leadership”.
To what extent do you agree with this view? *(40 marks)*
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 “The ability of an organisation to adapt to change in its external environment is the key to its long-term success”. Discuss this view. *(40 marks)*
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 I have the simple but strong belief: how you gather, manage, and use information will determine whether you win or lose." Bill Gates, Chairman of Microsoft.
To what extent does information management determine the competitiveness of a business nowadays? *(40 marks)*

END OF QUESTIONS