

Write your name here

Surname

Other names

Centre Number

Candidate Number

Edexcel GCE

Business Studies

Advanced Subsidiary

Unit 2A: Managing the Business

Tuesday 24 May 2011 – Morning

Time: 1 hour 15 minutes

Paper Reference

6BS02/01

You do not need any other materials.

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions in Section A and Section B.
- Answer the questions in the spaces provided – *there may be more space than you need.*
- You may use a calculator.

Information

- The total mark for this paper is 70.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*
- Quality of written communication will be taken into account in the marking of your response to Question 13 in Section B. This question is indicated with an asterisk* – *you should take particular care on this question with your spelling, punctuation and grammar, as well as the clarity of expression.*

Advice

- Read each question carefully before you start to answer it.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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SECTION A

Answer ALL the questions in this section.

Write the letter of your chosen answer in the box and then explain your choice in the space provided.

You should spend 30 minutes on this section.

- 1** (a) BAe Systems wishes to increase output of aircraft components from its existing facilities.

Which **one** of the following is a way of improving capacity utilisation at BAe Systems?

(1)

- A** Reduce stock levels
- B** Increase productivity of its workforce
- C** Reduce spending on advertising
- D** Increase prices

Answer

- (b) Explain your answer.

(3)

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(Total for Question 1 = 4 marks)



2 (a) The *London Evening Standard* became a free newspaper in October 2009. An objective was to more than double its circulation from 250,000 to 600,000.

This might best be seen as an example of

(1)

- A an extension strategy to attract advertising revenue
- B niche marketing
- C a reduction in the environmental impact of the business
- D an increase in the product portfolio

Answer

(b) Explain your answer.

(3)

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(Total for Question 2 = 4 marks)



3 (a) Forster, a London-based media firm, brands itself as an 'ethical marketing, Public Relations and design company'. It tries to make the environment an everyday consideration for staff.

One of the likely objectives of this strategy is to

(1)

- A centralise decision-making
- B increase the carbon footprint of the business
- C increase labour turnover
- D attract additional business from customers

Answer

(b) Explain your answer.

(3)

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(Total for Question 3 = 4 marks)



- 4 (a) Anne Walker, founder of International Dance Supplies, forecasts monthly cash flows for her business.

July 2011 Cash Flow

| <u>Cash Inflow</u> | £ m |
|---------------------------|-------------|
| Cash sales | 1 |
| Payment from debtors | 0.5 |
| Total cash inflow | 1.5 |
| <u>Cash Outflow</u> | £ m |
| Labour | 0.25 |
| Materials | 0.5 |
| Overheads | 0.5 |
| <u>Total cash outflow</u> | 1.25 |
| Net cash flow | 0.25 |

What will be the new forecasted net cash flow for July 2011 if Anne now expects cash sales to be 20% higher and materials to be 20% higher?

(1)

- A £0
- B £0.1 m
- C £0.35 m
- D £0.5 m

Answer

- (b) Explain your answer (show your working).

(3)

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(Total for Question 4 = 4 marks)



5 (a) Sole Trader is a UK footwear retailer. Its budgeted sales for one month were 1 000 units at £50. Its actual sales were 900 units at £52.50.

The accounts department calculated a sales variance of

(1)

A £50 000 favourable

B £50 000 adverse

C £2 750 favourable

D £2 750 adverse

Answer

(b) Explain your answer (show your working).

(3)

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(Total for Question 5 = 4 marks)



6 (a) Carl Beatty's vehicle repair centre has grown rapidly. He is considering changing the organisational structure.

Which **one** of the following might be a **disadvantage** of a narrow span of control for the vehicle repair centre?

(1)

- A It allows a manager to communicate quickly with employees under his control
- B Management costs may increase
- C Less management skill is needed as it requires a higher level of skill to control a greater number of workers
- D Feedback of ideas from the workers should be gained more rapidly

Answer

(b) Explain your answer.

(3)

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(Total for Question 6 = 4 marks)

TOTAL FOR SECTION A: 24 MARKS



SECTION B

Answer ALL the questions in this section.

You are advised to spend 45 minutes on this section.

Evidence A

Dyson launches new premium product – a bladeless electric fan

Sir James Dyson, the British inventor famous for the bagless vacuum cleaner, has developed a bladeless electric fan. Dyson is confident that the design is radical enough to persuade people to spend extra on the product. Research engineers spent four years on the design process, from conception to launch.

The fan will cost £199 in the UK and will initially be available in upmarket departmental stores and design shops. The fan is significantly more expensive than the average price (£18) for a standard fan. This premium product is targeted at early adopters – consumers attracted to innovative products. Dyson hopes that while the UK market for fans is relatively small, consumers in the USA, Australia and Japan will snap up the device.

The fan will be made in Malaysia. 'But, crucially, we do all our research and development in Wiltshire (England) and we pay taxes here', said Dyson.

(Source: adapted from *The Daily Telegraph*, 13 October 2009)

Evidence B

Super Bowl



Natalie Ellis was unsuccessful on BBC TV's programme *Dragons' Den* (where aspiring business people seek funds from a panel of successful entrepreneurs). She was hoping for a £120,000 investment to develop her non-spill Road Refresher travel bowl for dogs.

The bowl is designed to keep pets hydrated in a car while reducing spillage by 90 per cent. It has a floating plate which restricts the flow when there is a surge of water from the car cornering or braking.

Mrs Ellis pursued her dream and has now achieved more than £1m in sales in Europe and America. The biggest boost to sales was when the newly elected President of America, Barack Obama, bought a Road Refresher for his daughters' puppy. Mrs Ellis is now delighted not to share her profits with the panel from *Dragons' Den*.

(Source: adapted from www.dailymail.co.uk, 28 May 2009)



7 Briefly explain **one** reason why it might be better for Dyson to adopt a niche marketing strategy for his bladeless fan.

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(Total for Question 7 = 4 marks)

8 Why is the design mix crucial to a manufacturer such as Dyson?

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(Total for Question 8 = 4 marks)



(Total for Question 13 = 12 marks)

TOTAL FOR SECTION B: 46 MARKS
TOTAL FOR PAPER: 70 MARKS



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