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Centre Number

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# Business Studies

**Advanced**

**Unit 4A: Making Business Decisions**

Monday 19 June 2017 – Morning

**Time: 1 hour 30 minutes**

Paper Reference

**6BS04/01**

**You must have:**

Insert containing all source material (enclosed)

Total Marks

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## 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** the 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 80.
- The marks for **each** question are shown in brackets  
– *use this as a guide as to how much time to spend on each question.*
- Questions labelled with an **asterisk** (\*) are ones where the quality of your written communication will be assessed  
– *you should take particular care on these questions with your spelling, punctuation and grammar, as well as the clarity of expression.*
- Candidates are expected to be familiar with Evidence A to G for this paper before the examination.

## Advice

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

Turn over ►

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## SECTION A

Evidence A to G was pre-issued before the date of the examination

Using ALL the evidence and your own knowledge, answer all six questions (total 30 marks)

Time allowed (35 minutes)

### Additional Evidence H – Booker PLC’s ‘Focus, Drive, Broaden’ strategy 2015

#### Focus

Booker PLC seeks to become the most efficient operator in our sector. We continue to improve business efficiency. We ‘stop, simplify and standardise’ work and invest most of the resulting savings in customer service.

#### Drive

5

Booker Wholesale, our cash and carry business, served 523,000 customers this year up from 503,000 last year. We continue to ‘Drive’ choice, price and service. Each year we survey 40,000 customers to identify where improvements can be made.

#### Broaden

10

In the UK, Booker PLC seeks to offer the best choice, price and service to caterers, retailers and small businesses. We also seek to become the suppliers’ preferred channel of distribution. In addition, we want to sell new products and services and reach new customers. To achieve these corporate objectives, we are implementing the corporate strategy of ‘Broadening’ the business through organic and external growth.

(Source: adapted from Booker PLC reports and accounts 2015)

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1 What is meant by the term 'corporate objectives'? (Additional Evidence H , Line 13)

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**(Total for Question 1 = 2 marks)**

2 What is meant by the term 'corporate strategy'? (Additional Evidence H, Lines 13 and 14)

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**(Total for Question 2 = 2 marks)**



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**3** Explain why **one** external stakeholder of Booker PLC might benefit from its 'Focus, Drive, Broaden' strategy. (Additional Evidence H)

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**(Total for Question 3 = 4 marks)**



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4 Explain **one** way the corporate culture of Budgens might be affected by being taken over by Booker PLC. (Evidence B)

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**(Total for Question 4 = 4 marks)**



5 (a) Using Evidence C, calculate the Net Present Value of the proposed refit of the Harleston store, assuming a 1% discount rate.

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(b) Comment on the results of your calculations in 5(a).

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**(Total for Question 5 = 8 marks)**



6 Assess the likely value of profitability ratios to Booker PLC shareholders when judging the success of the business.

(10)

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(Total for Question 6 = 10 marks)

**TOTAL FOR SECTION A = 30 MARKS**



**SECTION B**

**Decision-making report**

**Using ALL the evidence provided and your own knowledge,  
answer both parts of the question (total 50 marks).**

**Time allowed (55 minutes)**

- \*7** (a) Assess whether Booker PLC’s takeover of Budgens is likely to lead to conflicts between socially responsible behaviour and profit-based objectives.

(20)

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(b) Assess the importance of competitive advantage as a factor in Booker PLC's decision to take over Budgens.

(30)

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(Total for Question 7 = 50 marks)

**TOTAL FOR SECTION B = 50 MARKS**  
**TOTAL FOR PAPER = 80 MARKS**

