THIS IS A NEW SPECIFICATION

OCR
RECOGNISING ACHIEVEMENT

ADVANCED SUBSIDIARY GCE

BUSINESS STUDIES

Business Functions

F292

Candidates answer on the question paper

OCR Supplied Materials:
- Case Study (clean copy)

Other Materials Required:
- Calculators may be used

Thursday 8 January 2009
Morning

Duration: 2 hours

Candidate Forename		Candidate Surname	

Centre Number						Candidate Number				

INSTRUCTIONS TO CANDIDATES

- Write your name clearly in capital letters, your Centre Number and Candidate Number in the boxes above.
- Use black ink. Pencil may be used for graphs and diagrams only.
- Read each question carefully and make sure that you know what you have to do before starting your answer.
- You must answer Question 1 in Section A and Questions 2–5 in Section B. You should not need to spend more than 30 minutes on Section A.
- Do **not** write in the bar codes.
- Write your answer to each question in the space provided; however, additional paper may be used if necessary.

INFORMATION FOR CANDIDATES

- The number of marks is given in brackets **[ ]** at the end of each question or part question.
- The total number of marks for this paper is **90**.
- The quality of your written communication will be taken into account in marking your answer to the question labelled with an asterisk (*). Marks will be awarded for spelling, punctuation and grammar, use of appropriate form and style of writing, and for organising work clearly and coherently.
- This document consists of **16** pages. Any blank pages are indicated.

A calculator may be used for this paper

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Section A

Answer **all** questions.

Question 1 does **not** relate to the QVL case study.

1 **(a)** Define the term 'market share'.

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..... **[2]**

(b) State **two** functions of a wholesaler.

1 .....

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2 .....

..... **[2]**

(c) One way of structuring the organisation of a business is by product.

Identify **two** other ways in which a business may be organised.

1 .....

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2 .....

..... **[2]**

(d) A small business producing umbrellas has fixed costs of £60,000 per year. Variable costs are as follows:

Labour	£5 per unit
Materials	£3 per unit
Other costs	£1 per unit

If the firm sells umbrellas for £11.50 each, calculate the break-even output per month.

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..... **[4]**

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(e) Outline **two** possible advantages to a firm of using flow production.

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2 .....

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..... **[4]**

(f) Explain the difference between quality control and quality assurance.

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..... **[4]**

Section A Total [18]

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Section B

Answer **all** questions.

Questions 2–5 are based on the case study. Your answers should make specific reference to the issues facing QVL.

2 Table 2 below lists the budgeted and actual data for a recent contract for supplying three units to a Premier League football club for one match.

Table 2

	Forecast	**Actual**
Sales revenue	£2,250	£2,050
Costs		
Direct labour	£500	£412
Materials	£800	£900
Transportation	£100	£140
Allocated overheads	£220	£220

(a) Calculate the profit variance for this contract.

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(b) Discuss the advantages and disadvantages to QVL of using budgets as an aid to decision-making.

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..... **[16]**

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3 Evaluate whether or not QVL should introduce lean production methods.

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..... [16]

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4 Discuss how Evan's leadership style may need to change if QVL continues to grow.

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..... **[16]**

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5* Assess ways in which QVL's marketing mix may need to change if it broadens its target market.

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..... [20]

Section B Total [72]

Paper Total [90]

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