

Candidate forename						Candidate surname					
Centre number						Candidate number					

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
ADVANCED SUBSIDIARY GCE
F292
BUSINESS STUDIES
Business Functions

THURSDAY 20 JANUARY 2011: Afternoon
DURATION: 2 hours

SUITABLE FOR VISUALLY IMPAIRED CANDIDATES

Candidates answer on the question paper.

OCR SUPPLIED MATERIALS:

Clean copy case study

OTHER MATERIALS REQUIRED:

A calculator may be used

READ INSTRUCTIONS OVERLEAF

INSTRUCTIONS TO CANDIDATES

- **Write your name, centre number and candidate number in the boxes on the first page. Please write clearly and in capital letters.**
- **Use black ink. Pencil may be used for graphs and diagrams only.**
- **Read each question carefully. Make sure you know what you have to do before starting your answer.**
- **Write your answer to each question in the space provided. Additional paper may be used if necessary but you must clearly show your candidate number, centre number and question number(s).**
- **Answer ALL the questions. You should not need to spend more than 30 minutes on Section A.**

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.**

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SECTION A

Answer ALL questions.

Question 1 does NOT relate to the STL case study.

- 1 (a) State TWO ways in which a firm could segment its market.**

1: _____

2: _____ **[2]**

- (b) Land is one item listed under the heading of fixed assets on a balance sheet.
Identify TWO other fixed assets.**

1: _____

2: _____ **[2]**

- (c) Define the term 'quality assurance'.**

_____ **[2]**

(d) A business sells computer monitors.

57 cm LCD monitors normally sell at a price of £150. During a marketing promotion, the price is lowered to £120 and demand per week increases from 60 to 75 monitors.

Calculate the price elasticity of demand for these monitors.

Answer: _____ **[4]**

(e) Explain TWO disadvantages to a business of having a flat organisational structure.

1: _____

2: _____

_____ **[4]**

(f) Outline TWO costs to a firm of holding stock.

1: _____

2: _____

_____ **[4]**

Section A Total [18]

SECTION B

Answer ALL questions.

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

- 2 STL has now received a confirmed order for its three fudge products from the largest supermarket chain. It wants 500,000 boxes of each of the three flavoured fudge products and will pay STL a fixed price of £0.94 for each box.**

(a) Calculate the total contribution of this order.

Answer: _____ **[4]**

[illegible]

[illegible]

[illegible]

[illegible]

[16]

3 Discuss the benefits to STL of using marketing techniques such as the Boston Matrix and the product life cycle to make decisions about its product portfolio.

[illegible]

[illegible]

[illegible]

[illegible]

[16]

- Evaluate factors which should be considered before a decision is made to change the method of production.**

[illegible]

[illegible]

[illegible]

[illegible]

[16]

[illegible]

[illegible]

[illegible]

[illegible]

[20]

Section B Total [72]

Paper Total [90]



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