

**Monday 14 May 2012 – Afternoon**

**AS GCE BUSINESS STUDIES**

**F291/01** An Introduction to Business

Candidates answer on the Question Paper.

**OCR supplied materials:**

None

**Other materials required:**

- A calculator may be used

**Duration:** 1 hour



Candidate  
forename

Candidate  
surname

Centre number

Candidate number

### MODIFIED LANGUAGE

#### INSTRUCTIONS TO CANDIDATES

- Write your name, centre number and candidate number in the boxes above. Please write clearly and in capital letters.
- Use black ink. Pencil may be used for graphs and diagrams only.
- Answer **all** the questions.
- 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).
- Do **not** write in the bar codes.

#### 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 **60**.
- The quality of your written communication will be taken into account when marking your answer to the question labelled with an asterisk (\*).
- This document consists of **12** pages. Any blank pages are indicated.



**A calculator may  
be used for this  
paper**

**MARS**

Mars is a global company with a strong brand name. Mars does not only make the well known chocolate bar. It also makes confectionary brands such as M&M's, foods such as Uncle Ben's, and drinks such as Starburst.

Mars was founded in the USA in 1911. Since then, Mars has been a family controlled business which has expanded across the globe. Recently, a new factory in the Czech Republic was opened. 5

In the UK, Mars operates as Mars Ltd. Employees at Mars Ltd are given great freedom to do their jobs and they are given responsibility early in their careers. They are also encouraged to make the most of their abilities through training. The company offers many opportunities for promotion through internal recruitment.

Mars Ltd has a history of caring for its stakeholders. Its website states 'We take upon ourselves the responsibility for seeking to ensure that we deliver benefits to all stakeholders'. The company also has strict policies about minimising waste, water, energy and packaging. 10

Like many well known global businesses, Mars has faced criticism. The company was criticised because some of its chocolate was not suitable for vegetarians because it used rennet (an animal based product). Also, pressure groups have criticised Mars for not using cocoa from Fairtrade\* 15 sources. These issues generated bad publicity. Mars responded promptly. In 2007 it announced that it would no longer use rennet. In 2009 Mars announced it would only purchase cocoa from suppliers which met strict new environmental and labour standards.

The company is also sensitive to comments about the nutritional content of its chocolate. In 2010 it announced a first for the confectionery industry; a significant reduction of saturated fat in many of its best known chocolate bars. 20

Mars' sales of chocolate continue to grow in the UK and across the world. In the last ten years it has expanded into pet food, and aquarium and pond products. Some business experts questioned the benefits of this expansion and warned that Mars could become too large and suffer from diseconomies of scale. 25

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\*Fairtrade is about better prices, decent working conditions, and fair trading terms for farmers and workers in the developing world.

- 1 Mars Ltd operates in the private sector of the economy.

Outline **two** differences between an organisation in the private sector and an organisation in the public sector.

Difference 1 .....

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Difference 2 .....

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.....

..... [4]

- 2 Mars Ltd trains its employees and encourages internal recruitment.

(a) Outline **two** differences between 'on the job training' and 'off the job training'.

Difference 1 .....

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Difference 2 .....

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..... [4]

(b) Analyse **two** possible benefits of internal recruitment to Mars Ltd.

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Analyse **one** possible source of finance Mars could have used to fund this investment.

[6]

**4 (a)** Mars is a large business.

Identify **two** ways to measure the size of a business.

1 .....

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2.....

..... [2]

**(b)** “Mars could become too large and suffer from diseconomies of scale” (lines 24–25).

State what the term 'diseconomies of scale' means.

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..... [2]

**5\*** Evaluate if Mars' stakeholders will benefit from Mars' continuing growth.

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