

Candidate forename		Candidate surname	
Centre number			
		Candidate number	

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
AS GCE
F291/01
BUSINESS STUDIES
An Introduction to Business

MONDAY 14 MAY 2012: Afternoon
DURATION: 1 hour
plus your additional time allowance
MODIFIED ENLARGED

Candidates answer on the Question Paper.

OCR SUPPLIED MATERIALS:

None

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.
- 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).

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 (*).

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MARS

Mars is a global company with a strong brand name. As well as making the well known chocolate bar, it produces confectionary brands such as M&M's, foods such as Uncle Ben's, and drinks such as Starburst.

5

Since its foundation in the USA in 1911, Mars has remained a family controlled business which has expanded across the globe. Recently, a new factory in the Czech Republic was opened.

In the UK, Mars operates as Mars Ltd. Employees at Mars Ltd are given considerable freedom to do their jobs and given responsibility at an early stage 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.

10

15

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 relating to the minimising of waste, water, energy and packaging.

20

Like many well known global businesses, Mars has faced criticism. The company was criticised because some of its chocolate was unsuitable for vegetarians due to the use of rennet (an animal based product). Also, pressure groups have criticised Mars for not using cocoa from Fairtrade* sources. These issues generated bad publicity. Mars

25

responded promptly. In 2007 it announced that it would no longer use rennet and in 2009 that it would only purchase cocoa from suppliers which met strict new environmental and labour standards. **30**

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 a number of its best known chocolate bars. **35**

Mars' sales of chocolate continue to grow in the UK and across the world. It has also, in the last decade, 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. **40**
45

***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 _____

Difference 2 _____

_____ **[4]**

2 Mars Ltd believes in training its employees and encourages internal recruitment.

(a) Outline TWO differences between ‘on the job training’ and ‘off the job training’.

Difference 1 _____

Difference 2 _____

_____ **[4]**

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

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

3 Mars has recently invested in a new factory in the Czech Republic (line 9).

Analyse ONE source of finance which could have been used to fund this investment.

[illegible]

4 (a) Mars is a large business.

Identify TWO ways to measure the size of a business.

1 _____

2 _____

_____ **[2]**

(b) “Mars could become too large and suffer from diseconomies of scale” (lines 44–45).

State what is meant by the term ‘diseconomies of scale’.

_____ **[2]**

5* Quality of written communication will be taken into account.

Evaluate whether Mars' stakeholders will benefit from the company's continuing growth.

[illegible]

[illegible]

[illegible]

[illegible]

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