

323/01

BUSINESS STUDIES

BS3

P.M. MONDAY, 4 June 2007

(1 hour)

ADDITIONAL MATERIALS

In addition to this examination paper, you will need an 8 page answer book.

INSTRUCTIONS TO CANDIDATES

Answer **both** questions.

INFORMATION FOR CANDIDATES

Mark allocations are shown in brackets.

Candidates will be assessed on their quality of written communication i.e. the structure and presentation of ideas; the clarity of expression; grammar, punctuation and spelling. Up to three marks will be awarded for written communication.

No certificate will be awarded to a candidate detected in any unfair practice during the examination.

1. Study the information below and then answer the questions that follow.

Carys has been running the ‘Ger Y Môr’ hotel in the popular seaside resort of Llandudno for the past thirty years. Her husband Richard had worked at one of the local banks. At the age of 57 he was faced with **redundancy** because the branch was closed. He did not want to retire or work in the hotel. He felt, however, that because of his age he might face discrimination, and as a result, securing a full-time job would be difficult. Richard decided to look for part-time work even though he knew that part-time workers often receive lower wages.

‘Ger Y Môr’, like all the other hotels in the area, depends heavily on part-time workers, some of whom have come from those countries which have recently joined the European Union.

Carys has been experiencing a number of difficulties. The biggest of these relates to staffing. Staff turnover and absenteeism have both been high.

- (a) What is meant by the term *redundancy*? [2]
- (b) Explain, with examples, what is meant by ‘discrimination at work’. [4]
- (c) Explain why part-time work is beneficial to **both** employers like Carys and employees such as Richard. [6]
- (d) With reference to Herzberg’s theory, consider the view that workers in the hotel industry can be difficult to motivate. [8]

2. Study the information below and then answer the questions that follow.

Optimeyes Ltd was set up by two brothers in 1973 to manufacture and supply lenses and frames for glasses. Initially the business employed just three people but it has grown enormously. It now has eighty workers and distributes its products nationally. A small but very important department at Optimeyes Ltd is the one which carries out **research and development**.

Optimeyes Ltd is currently enjoying a particularly successful period. Its order books are full and it is pleased to be **operating at full capacity**. However, operating at full capacity can present businesses with problems.

Optimeyes Ltd is aware that its success is affected by changes in the external environment in which it operates. These include new government policy, increased competition and **technological change**.

- (a) Explain the role of *research and development* in a manufacturing business like Optimeyes Ltd. [4]
- (b) Explain the advantages and disadvantages to Optimeyes Ltd of *operating at full capacity*. [8]
- (c) Consider the impact of *technological change* on a manufacturing business such as Optimeyes Ltd. [8]