



Oxford Cambridge and RSA

Monday 6 June 2022 – Morning

Level 3 Cambridge Technical in Business

05834/05835/05836/05837/05878 Unit 3: Business decisions

Time allowed: 1 hour 30 minutes

C423/2206



You must have:

- a clean copy of the pre-release

You can use:

- a calculator



Please write clearly in black ink.

Centre number

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Candidate number

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First name(s)

Last name

Date of birth

D	D	M	M	Y	Y	Y	Y
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INSTRUCTIONS

- Use black ink.
- Write your answer to each question in the space provided. If you need extra space use the lined page(s) at the end of this booklet. The question numbers must be clearly shown.
- Answer **all** the questions.

INFORMATION

- The total mark for this paper is **60**.
- The marks for each question are shown in brackets [].
- This document has **16** pages.

ADVICE

- Read each question carefully before you start your answer.

FOR EXAMINER USE ONLY	
Question No	Mark
1	/6
2	/8
3	/12
4	/6
5	/6
6	/6
7	/16
Total	/60

Answer **all** the questions.

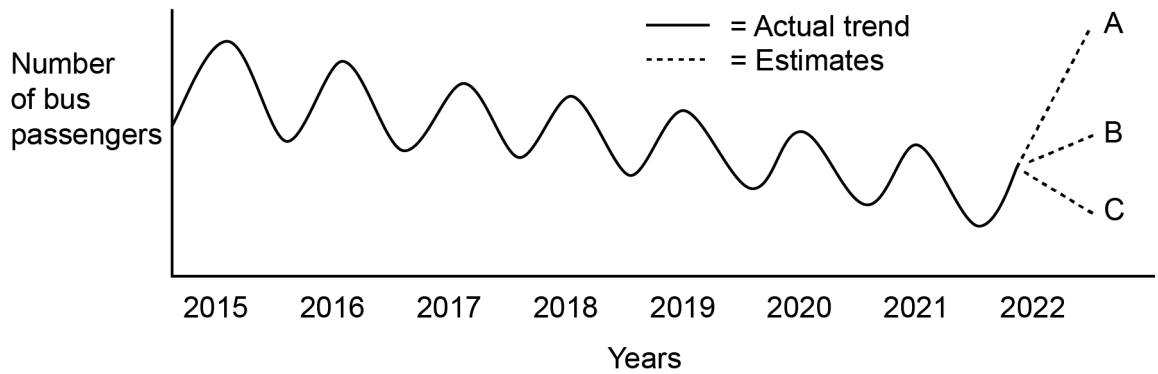
1 *Seaton Town Council (STC)* has conducted some market research into its current Park and Ride (P&R) service.

(a) Complete the **three** unshaded boxes in the table below to show how Porter's Five Forces Model applies to *STC's* P&R service.

Porter's Five Forces:	High or Low?
Bargaining power of suppliers	
Bargaining power of buyers	
Degree of rivalry	
Threat of new entrants	
Threat of substitutes	

[3]

- (b) A sketch showing the recent trend in the number of bus passengers on *STC's P&R* service is shown below. Three estimates have been made for the number of bus passengers expected in six months' time. These have been labelled A, B and C.



If the trend shown continues, identify which of the three estimates (A, B or C) is most likely to be accurate. Explain your answer.

Estimate most likely to be accurate

Explanation

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[3]

2 *STC* will decide which option, or combination of options, to take in a few weeks' time.

(a) The council wishes to reduce the P&R service's financial deficit.

Explain why *STC* might **not** choose the option which reduces the financial deficit the most.

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..... [3]

(b) A survey commissioned by the Federation of Seaton Small Businesses asked local shopkeepers their opinions about *STC*'s existing P&R service. The survey report concluded that an improved P&R service is vital for the economic future of the town.

State **two** reasons why the survey report might be biased.

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..... [2]

(c) Layla, *STC*'s Head of Transport Services, has asked an external consultant to help her investigate the three options.

(i) State **one** benefit to *STC* of using an external consultant to help investigate the three options.

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..... [1]

(ii) State **two** drawbacks to *STC* of using an external consultant to help investigate the three options.

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[2]

3 Analyse the benefits for *STC* of consulting with the local community during the decision-making process.

Which of these benefits is most important for *STC*? Justify your view.

[12]

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- 4 (a) As part of investigations into **Option 1 – New bus lanes**, Layla has collected the following figures:
- current number of P&R bus passengers: 120 000 per annum
 - expected number of P&R bus passengers if the new bus lanes are introduced: 180 000 per annum
 - P&R bus fare per passenger: £2.50.

Calculate the expected increase in annual revenue if **Option 1** is chosen.

Show your working

Expected increase in annual revenue: £ _____

[2]

(b) If **Option 2 – New car parking charge** is introduced, drivers will need to pay a fee of £1 to park their car in addition to the bus fare of £2.50 per passenger.

(i) Explain how this would affect the break-even level of output for *STC*'s P&R service.

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(ii) State **two** other ways *STC* could improve the P&R service's break-even level of output.

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5 If **Option 1 – New bus lanes** is chosen, more bus drivers will need to be recruited.

(a) Explain **two** benefits to *STC* of providing the new bus drivers with on-the-job training, rather than off-the-job training.

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[4]

(b) Identify **two** workplace performance measures *STC* could use to monitor its bus drivers.

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[2]

6 If **Option 2 – New car parking charge** or **Option 3 – Close one car park** is chosen, bus drivers will face changes to their working practices.

(a) Explain **two** reasons the bus drivers might be resistant to changes in their working practices.

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[4]

(b) Other than offering financial rewards, state **two** actions *STC* could take to reduce any resistance to change from the bus drivers.

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[2]

7 Recommend which option, or combination of options, is the best way forward for *STC*.
Justify your answer.

[16]

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END OF QUESTION PAPER

ADDITIONAL ANSWER SPACE

If additional answer space is required, you should use the following lined page(s). The question numbers must be clearly shown in the margins – for example, 1(a) or 2(c).

A large vertical rectangular area containing 25 horizontal dotted lines for writing answers.

