



Oxford Cambridge and RSA

Thursday 12 January 2023 – Morning

Level 3 Cambridge Technical in Business

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

Time allowed: 1 hour 30 minutes

C423/2301



You must have:

- a clean copy of the Pre-release (inside this document)

You can use:

- a calculator



Please write clearly in black ink. **Do not write in the barcodes.**

Centre number

Candidate number

First name(s) _____

Last name _____

Date of birth

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.
- Use the Insert to 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 **12** pages.

ADVICE

- Read each question carefully before you start your answer.

Answer **all** the questions.

- 1 (a) Managing Olive Tree Veterinary Clinic (OTVC) involves taking many business decisions. Some of these decisions are operational.

Identify with a tick (✓) the **two** operational decisions in the table below.

You should only tick **two** boxes.

Business Decision:	Tick (✓)
Deciding the staffing rota for the veterinary assistants	
Deciding when to service the clinic's equipment	
Deciding whether to introduce a new partner into the business	
Deciding whether to relocate to new premises	

[2]

- (b) (i) Heidi has used an external consultant to help her develop three options for the future of OTVC.

State **one** drawback to OTVC of using an external consultant.

.....
 [1]

- (ii) The external consultant has conducted some research into customer opinions about OTVC. She has collected both qualitative and quantitative information.

Identify with a tick (✓) the **two** items of qualitative information in the table below.

You should only tick **two** boxes.

Information:	Tick (✓)
A recording of an interview with a new customer	
A review of OTVC posted online by a recent customer	
The average score given by OTVC's customers on a ratings website	
The number of customers who visited OTVC in 2022	

[2]

(ii) State **one** disadvantage to OTVC of using the payback period as a method of investment appraisal.

.....
..... [1]

(b) Heidi is worried that OTVC might face a skills mismatch if **Option 2: Introduce equine care** is chosen.

Using a relevant example, explain how a skills audit could prevent OTVC from having a skills mismatch.

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.....
..... [3]

3 (a) If **Option 3: Introduce care for exotic pets** is chosen, OTVC would need to employ a new full-time vet. The vet would be paid a salary.

Explain the impact on OTVC's break-even level of output of employing a new full-time vet.

.....
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.....
.....
..... [3]

6 (a) The external consultant has prepared a Gantt chart to assist with the possible implementation of **Option 1: Relocate to new premises.**

Activity:	Week:								
	1	2	3	4	5	6	7	8	9
Complete purchase and gain access to the building									
Renovate reception area									
Renovate Clinic 1									
Open Clinic 1									
Renovate Clinic 2									
Open Clinic 2									

Refer to the Gantt chart.

(i) How many fewer weeks is the renovation of Clinic 2 expected to take in comparison with the renovation of Clinic 1?

..... [1]

(ii) Clinic 1 cannot open before the renovation of the reception area is complete.

By how many weeks could the renovation of the reception area be delayed without delaying the opening of Clinic 1?

..... [1]

(iii) How long would the entire project be expected to take if the renovation of Clinic 2 is delayed by two weeks?

..... [1]

(b) Explain **one** benefit to OTVC of using critical path analysis to help plan the implementation of **Option 1: Relocate to new premises.**

.....

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.....

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.....

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..... [3]

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(c) or 2(b).

A large rectangular area with a solid vertical line on the left side and horizontal dotted lines across the page, providing space for writing answers.



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C423/2301