

Write your name here

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Other names

Edexcel
Principal Learning

Centre Number

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Business, Administration and Finance

Level 3

Unit 8: Responding to Change in Business

Monday 17 June 2013 – Afternoon

Time: 1 hour

Paper Reference

BA308/01

You do not need any other materials.

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions.
- Answer the questions in the spaces provided – *there may be more space than you need.*

Information

- The total mark for this paper is 50.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*

Advice

- Read each question carefully before you start to answer it.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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PEARSON

Answer ALL questions.

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

1 Which **one** of the following is an economic factor that will impact on a business?

Changes in:

A	consumer law	<input type="checkbox"/>
B	consumer technology	<input type="checkbox"/>
C	consumer confidence	<input type="checkbox"/>
D	consumer satisfaction	<input type="checkbox"/>

(Total for Question 1 = 1 mark)

2 Which **one** of the following is an internal cause of change?

A	Education	<input type="checkbox"/>
B	Business goals	<input type="checkbox"/>
C	Cost of borrowing	<input type="checkbox"/>
D	Level of unemployment	<input type="checkbox"/>

(Total for Question 2 = 1 mark)

3 Which **one** of the following is **most likely** to result from trade liberalisation?

A	An increase in competition from developing countries	<input type="checkbox"/>
B	An increase in the rate of inflation	<input type="checkbox"/>
C	A reduction in the use of information technology	<input type="checkbox"/>
D	A reduction in the profits of multinational corporations	<input type="checkbox"/>

(Total for Question 3 = 1 mark)



4 An increase in the supply of resources in the UK economy is **most likely** to have which **one** of the following effects?

A higher rate of:

A	unemployment	<input type="checkbox"/>
B	taxation	<input type="checkbox"/>
C	economic growth	<input type="checkbox"/>
D	interest	<input type="checkbox"/>

(Total for Question 4 = 1 mark)

5 A change in employment law is **most likely** to include controls over which **one** of the following?

Restrictions on:

A	the use of natural resources in the workplace	<input type="checkbox"/>
B	the amount of income tax paid by employees	<input type="checkbox"/>
C	the provision of a free staff restaurant	<input type="checkbox"/>
D	the right to join a trade union	<input type="checkbox"/>

(Total for Question 5 = 1 mark)



Read the information below and answer the questions that follow.

BP is a global provider of oil and gas. It has stated that it is committed to the health and safety of its employees and the communities and societies in which it operates. It aims to protect the environment and continually innovate through new technology.

In 2010, eleven people were killed when the Deepwater Horizon oil rig operated by BP exploded in the Gulf of Mexico. The resulting oil spill left devastation in the Gulf area. Large numbers of fish and seabirds died and the livelihood of many local people was destroyed. The disaster had a substantial impact on BP in terms of reputation, financial penalties and brand image. US President, Barack Obama, vowed to make BP pay for the damage caused by the worst environmental catastrophe in US history.

Following the disaster, BP appointed a new Chief Executive, Robert Dudley. One of his first actions was to link employee bonus payments to improved performance in safety.

Robert Dudley plans to continue with BP's investment in technology making it easier and safer to access oil and gas reserves. Developing cleaner fuels and energy will reduce carbon emissions. New technology means the development of wind and solar power, and renewable biofuels which can meet future energy needs. Employees will require training in these new technologies.

6 BP is affected by changes in the external business environment.

Describe how each of the following affects BP.

(a) Health and safety legislation.

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(b) Pressure from governments to reduce the environmental impact of BP's operations.

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(c) Competition from cleaner fuels and energy.

(3)

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(Total for Question 6 = 9 marks)



7 Discuss how the substantial financial penalties imposed on BP following the Deepwater Horizon disaster might affect its future plans.

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(Total for Question 7 = 8 marks)



In 2010, BP reported an annual loss of \$4.9bn against a profit of \$13.9bn in 2009. This was its first loss since 1992. However, the loss took into account the enormous costs related to the Deepwater Horizon disaster. By February 2011, BP had paid out \$3.3bn in compensation to 168 000 people.

Robert Dudley planned for recovery through new projects, investing in new oil fields around the world. The new focus on safety would help to meet the objective of improving the company's damaged reputation. Other objectives were set for profit figures and an increase in shareholders' dividends.

BP has tried to ensure that its workforce can develop skills and experience based on a variety of new technologies that the company has recently invested in. BP is one of the world's largest suppliers of solar energy.

BP is one of the world's largest companies giving its workforce opportunities for promotion, high pay and a quality fringe benefits package. Being an environmentally aware company requires a well trained and experienced workforce which also opens up new career opportunities for employees.

- 8 BP sets itself objectives for profits, shareholder dividends, brand image and reputation.

Outline **two** benefits of measuring actual results against stated objectives.

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(Total for Question 8 = 4 marks)



- 9 (a) BP employees were likely to see major changes due to the problems caused by the Gulf of Mexico oil spill. This might cause resistance from the workforce.

Explain why BP employees may be resistant to Robert Dudley's planned changes.

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(b) Using Kotter and Schlesinger's Six Change approach, explain **two** ways in which resistance to change may be overcome.

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(Total for Question 9 = 14 marks)



10 Robert Dudley believes that BP must change in order to meet its objectives.

Using Gleicher’s Formula for Change, discuss how large organisations such as BP might use change to achieve their objectives.

Dotted lines for answer writing.

(Total for Question 10 = 10 marks)

TOTAL FOR PAPER = 50 MARKS



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