



Rewarding Learning

General Certificate of Secondary Education  
2016

Centre Number

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Candidate Number

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## Applied Business

[G9372]

MV18

WEDNESDAY 25 MAY, MORNING

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### Time

1 hour, plus your additional time allowance.

### Instructions to Candidates

Write your Centre Number and Candidate Number in the spaces provided at the top of this page.

There should be enough space for your answers.

If you do require more space, you may complete your answers on the extra lined page at the back of this booklet.

Write your answers in the spaces provided in this question paper.

Answer **all six** questions.

### Information for Candidates

The total mark for this paper is 100.

Figures in brackets printed at the end of each question indicate the marks awarded to each question or part question.

Quality of written communication is assessed in Questions **2(e)**, **4(j)** and **6**.

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## **Case Study**

Read the case study below and answer the questions that follow.

### **Huntmore plc**

Huntmore plc is an established group of 20 hotels in Northern Ireland. The hotels currently operate under various names province wide catering for many different types of guest. All of the hotels, apart from two, have been expanded, modernised and upgraded to form a specific corporate image with a unique brand name offering additional services to their guests.

The hotels have been making a profit for the past five years and continue to satisfy their guests due to the extensive upgrading policy which takes place every five years. Huntmore plc also provides employment for many people who live in each of their locations. It is also important to Huntmore plc that it does not position another one of its hotels within a 35 mile radius of any of the other hotels within the group.

Huntmore plc wish to develop the business further by opening a specialised Pet Hotel for the two locations awaiting expansion. Research carried out by the group has concluded that there is a demand for such facilities in Northern Ireland.

Answer **all** questions

1 (a) Identify the type of business ownership for Huntmore plc. [1 mark]

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(b) Who are the owners of Huntmore plc? [1 mark]

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(c) The owners of Huntmore plc must purchase a number of \_\_\_\_\_ to receive a percentage of the profits. [1 mark]

(d) Which document would possible investors read before deciding to apply to become a part owner of Huntmore plc? [1 mark]

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(e) State the name of the document that must be issued by the Registrar of Companies before Huntmore plc can begin to operate. [1 mark]

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(f) State **two** advantages and **two** disadvantages of this type of business ownership.

Advantage 1 [1 mark]

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Advantage 2 [1 mark]

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Disadvantage 1 [1 mark]

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Disadvantage 2 [1 mark]

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(g) Identify **three** aims, from the case study, for Huntmore plc. [3 marks, 1 mark for each aim]

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

**2** Huntmore plc has carried out extensive market research.

**(a)** List **three** reasons why Huntmore plc has carried out market research. [3 marks, 1 mark for each reason]

1. \_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_

**(b)** State the term given to a group of people who Huntmore plc wish to direct their services at. [1 mark]

\_\_\_\_\_

**(c)** Market segmentation and random sampling were used to assist with the market research carried out by Huntmore plc. Explain the terms:

Market Segmentation [1 mark]

\_\_\_\_\_

\_\_\_\_\_

Random Sampling [1 mark]

\_\_\_\_\_

\_\_\_\_\_

**(d)** Discuss **one** advantage and **one** disadvantage of using random sampling to find out the needs of the market to Huntmore plc. [4 marks]

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**(e)** Analyse how Huntmore plc could use extension strategies to extend the product life cycle of the services offered by the hotel group. [8 marks]

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3 Huntmore plc will require many new pieces of furniture including tables, chairs, beds, dog baskets, etc for both new Pet Hotels.

(a) State and explain the most suitable method of production used by the supplier to Huntmore plc for the new pieces of furniture. [2 marks in total]

Method of Production \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(b) Discuss **one** advantage and **one** disadvantage of using this method of production. [6 marks]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**4** Huntmore plc will require additional staff for both new Pet Hotels.

**(a)** Name the department within Huntmore plc which has responsibility for employing staff. [1 mark]

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**(b)** It is the responsibility of the manager of this department to produce a job description and person specification for all job vacancies. Explain the terms:

Job Description [2 marks]

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Person Specification [2 marks]

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(c) Using the table below, list **three** items that should be included in a job description and a person specification for a new employee in the restaurant/bar. [6 marks]

JOB DESCRIPTION	PERSON SPECIFICATION
1. _____ _____	1. _____ _____
2. _____ _____	2. _____ _____
3. _____ _____	3. _____ _____

(d) A job advertisement will then be drawn up. Advise the manager on **five** items that should be included in the job advertisement. [5 marks, 1 mark for each item]

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

(e) Which document must Huntmore plc provide for its new employees within eight weeks of starting work? [1 mark]

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(f) An interview will be held by Huntmore plc to select the most suitable candidate(s) for restaurant/bar staff. List **three** factors that the candidate(s) should consider when preparing for the interview.

[1 mark for each factor]

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

(g) Identify **two** questions which would be suitable for Huntmore plc to ask the applicants for the vacant post of a restaurant/bar staff member.

[1 mark for each question]

1. \_\_\_\_\_
2. \_\_\_\_\_

(h) An employer such as Huntmore plc must ensure that all staff members are treated equally. List **three** areas of employment legislation that the company must be aware of when recruiting staff. [1 mark for each area]

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

(i) Huntmore plc places huge emphasis on training all of its staff to the highest level. Discuss the benefits of training to Huntmore plc. [6 marks]

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**(j)** Evaluate **one** method of recruitment for Huntmore plc when employing staff. [8 marks]

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**5** In anticipation of both Pet Hotels opening this summer, the Finance Director needs to project figures for the first three months of trading.

**(a)** Complete the cash flow forecast opposite for Huntmore plc by inserting the appropriate terms and financial data:

- Restaurant Income of £5600 for July, £7100 for August and £4000 for September
- Beverage Supplies of £2000 per month
- Advertising of £5000 for July and £1250 for August
- Bar Income of £3400 for July and August with £3000 for September [14 marks]

**(b)** Comment on the closing bank balance figures for Huntmore plc from the completed cash flow forecast. [3 marks]

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**Cash Flow Forecast for one of the Pet Hotels (Huntmore plc),  
for the three month period July – September 2016**

	July	August	September
	£	£	£
Opening Bank Balance	[1 mark]		
<b>RECEIPTS</b>			
Accommodation	10 000	12 000	8000
			[1 mark]
			[1 mark]
<b>TOTAL RECEIPTS</b>	[1 mark]	[1 mark]	[1 mark]
<b>PAYMENTS</b>			
Staff Wages	6000	7500	5000
Heating	3000	3000	4000
Insurance	1500	1500	1500
Food Supplies	1500	2000	1250
			[1 mark]
			[1 mark]
<b>TOTAL PAYMENTS</b>	[1 mark]	[1 mark]	[1 mark]
Closing Bank Balance	[1 mark]	[1 mark]	[1 mark]

6 Huntmore plc would like to introduce social enterprise outputs.

Discuss how Huntmore plc could benefit from social enterprise outputs within its hotel group. [6 marks]

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**THIS IS THE END OF THE QUESTION PAPER**

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## SOURCES

Source: ..... own source

For Examiner's use only	
Question Number	Marks
1	
2	
3	
4	
5	
6	
<b>Total Marks</b>	