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**OXFORD CAMBRIDGE AND RSA EXAMINATIONS
GENERAL CERTIFICATE OF SECONDARY EDUCATION**

A241

APPLIED BUSINESS

Business in Action

WEDNESDAY 12 JANUARY 2011: Morning

DURATION: 1 hour 30 minutes

SUITABLE FOR VISUALLY IMPAIRED CANDIDATES

Candidates answer on the question paper.

OCR SUPPLIED MATERIALS:

None

OTHER MATERIALS REQUIRED:

A calculator may be used

READ INSTRUCTIONS OVERLEAF

INSTRUCTIONS TO CANDIDATES

- **Write your name, centre number and candidate number in the boxes on the first page. Please write clearly and in capital letters.**
- **Use black ink. Pencil may be used for graphs and diagrams only.**
- **Read each question carefully. Make sure you know what you have to do before starting your answer.**
- **Write your answer to each question in the space provided. Additional paper may be used if necessary but you must clearly show your candidate number, centre number and question number(s).**
- **Answer ALL the questions.**

INFORMATION FOR CANDIDATES

- **The number of marks is given in brackets [] at the end of each question or part question.**
- **The total number of marks for this paper is 80.**
- **Your quality of written communication is assessed in questions marked with an asterisk (*).**

TEXT 1

Leo Springer has been designing and making office furniture ever since he left college 10 years ago. He started by making desks for people to have in their office/study at home. Interest grew in his business and he was regularly called into other businesses to design the layout of their offices and then make the furniture. He currently sells the furniture abroad, as well as in the United Kingdom (UK). He has always run the business as a sole trader and it operates under the name Springer Office Furniture (SOF). Leo now employs staff to make the furniture and to manage the various functional areas within the business.

1 REFER TO TEXT 1.

- (a) State ONE possible reason why Leo Springer started his own business.

[1]

(b) (i) Outline TWO advantages to Leo of running SOF as a sole trader.

1: _____

2: _____

_____ **[4]**

(ii) Outline TWO disadvantages to Leo of running SOF as a sole trader.

1: _____

2: _____

_____ **[4]**

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TEXT 2

Leo has always been interested in ICT and would like to use it throughout his business.

2 REFER TO TEXT 2.

- (a) State and explain ONE way in which Leo could use ICT to make the manufacturing process at SOF more efficient.

[2]

(b) State and explain ONE way in which Leo could use ICT to make the administration functional area at SOF more efficient.

[2]

(c) Identify THREE operational tasks of the marketing functional area in a business you have studied.

Name of business: _____

1: _____

2: _____

3: _____

[3]

(d) Leo is keen to increase the amount of marketing undertaken by SOF.

State and explain TWO ways in which the use of ICT could help Leo to increase the amount of marketing at SOF.

1: _____

2: _____

_____ **[4]**

TEXT 3

Leo is keen to keep all of SOF’s different stakeholder groups happy. He works hard both inside and outside the business to try to keep the stakeholder groups happy.

3 REFER TO TEXT 3.

(a) (i) State THREE DIFFERENT stakeholder groups with an interest in SOF.

1: _____

2: _____

3: _____ [3]

(ii) State and explain ONE possible conflict between the interests of TWO of the groups identified in PART (a)(i).

Name of group 1: _____

Name of group 2: _____

Conflict: _____

_____ **[2]**

(b) State and explain TWO possible consequences to a business you have studied if it does not listen to its stakeholder groups.

Name of business: _____

1: _____

2: _____

[4]

(c) All businesses need to be mindful of ethics and the need to be sustainable.

(i) State and explain TWO ways in which SOF may act in order to achieve sustainability.

1: _____

2: _____

_____ **[4]**

(ii) Explain the meaning of the term ethics.

[2]

(iii) Other than sustainability, state THREE ways in which a business you have studied can be seen to be operating in an ethical manner.

Name of business: _____

1: _____

2: _____

3: _____

_____ **[3]**

[Total: 18]

TEXT 4

The capital to finance SOF has come from both Leo’s own savings and from a bank loan. Leo is now thinking of changing SOF’s existing business practices by concentrating on one target market. Rather than selling to the general public and businesses in the UK and abroad, he would only sell to businesses based in the UK.

4 REFER TO TEXT 4.

(a) State and explain TWO possible reasons why Leo wants to change SOF’s business practices in this way.

1: _____

2: _____

[4]

(b) Other than by changing its target market, explain TWO ways which a business you have studied has changed its existing business practices.

Name of business: _____

1: _____

2: _____

_____ **[4]**

(c) The success of SOF will depend on conditions in the economy as a whole.

Draw a line between each term and its correct definition in the diagram below.

[4]

TERM

DEFINITION

Interest rates

The increase in the price of goods and services measured over a set period of time.

Inflation

The amount of money taken from the general public by the government to spend on public services.

Exchange rates

The cost of borrowing money.

Taxation

The price at which one currency is bought and sold for another.

The amount spent by the government on public services.

(d)* Leo knows that the following factors within the economy could all affect the success of SOF:

- changes in interest rates;**
- changes in inflation;**
- changes in exchange rates;**
- changes in taxation.**

Which of these factors would have the BIGGEST impact on SOF? Give reasons for your answer, explaining why the other factors would have less impact.

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