

General Certificate of Secondary Education  
June 2004



**BUSINESS STUDIES SPECIFICATION A  
Foundation Tier**

**3132/F**

Thursday 17 June 2004 9.00 am to 11.00 am

**F**

**In addition to this paper you will require:**

- a clean copy of the Case Study (enclosed);
- a 12-page answer book.

You may use a calculator.

Time allowed: 2 hours

**Instructions**

- Use blue or black ink or ball-point pen.
- Write the information required on the front of your answer book. The *Examining Body* for this paper is AQA. The *paper reference* is 3132/F.
- Answer **all** questions.
- Do all rough work in the answer book. Cross through any work you do not want marked.

**Information**

- The maximum mark for this paper is 105.
- Mark allocations are shown in brackets.
- You will be awarded up to 5 marks for the quality of your written communication, including spelling, punctuation and grammar.

**Advice**

- You are advised to spend no more than 35 minutes on **Section A**.

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**SECTION A**

Answer **all** questions in this Section.

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**1****Total for this question: 12 marks**

Explain briefly the meaning of the following Business Studies terms and give an example of each. Your examples can be drawn from the Case Study or from any other source.

- (a) Employee *(3 marks)*
- (b) Profit *(3 marks)*
- (c) Public sector *(3 marks)*
- (d) Flexible working *(3 marks)*

**2****Total for this question: 6 marks**

- (a) What is a stakeholder? *(2 marks)*
- (b) Briefly explain **two** reasons why the Co-operative Bank might give money to charity. *(4 marks)*

**3****Total for this question: 6 marks**

- (a) What is on-the-job training? *(2 marks)*
- (b) Briefly explain **two** reasons why a business might prefer this method when training its employees. *(4 marks)*

**4****Total for this question: 6 marks**

- (a) What is a product life-cycle? *(2 marks)*
- (b) Briefly describe **two** actions a business could take if its product were in the decline phase of its product life-cycle. *(4 marks)*

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**SECTION B**

Answer **all** questions in this Section.

Where appropriate, use examples from the Case Study to support your answers.

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**5****Total for this question: 14 marks**

Like all businesses, the Co-operative Bank needs to market its products. Details of the Bank's marketing can be found on pages 5 to 6 of the Case Study.

- (a) Describe **two** ways the Co-operative Bank could encourage more people to use the website, www.smile.co.uk. *(4 marks)*
- (b) Briefly explain **two** suitable methods the Co-operative Bank might use to increase the number of customers it has in Wales and Scotland. *(4 marks)*
- (c) Discuss whether the Co-operative Bank should offer cheaper loans to young people wanting to set up in business. *(6 marks)*

**6****Total for this question: 14 marks**

The Case Study states that the Co-operative Bank "values its workforce" (see page 7). The Bank recognises the benefits that ICT can bring to the business.

- (a) Briefly describe **two** methods the Co-operative Bank uses to motivate its employees. *(4 marks)*
- (b) The Co-operative Bank conducts surveys of its employees' views. Explain **two** ways the Bank could be helped by this. *(4 marks)*
- (c) Discuss whether it is a good idea for the Co-operative Bank to introduce more ICT equipment. *(6 marks)*

**7****Total for this question: 14 marks**

Details of the Co-operative Bank's finances can be found in Table 2 on page 8 of the Case Study.

- (a) Calculate the increase in Retained Profit between:

- (i) 2000 and 2001;

- (ii) 2001 and 2002.

Show your working.

*(4 marks)*

- (b) Explain what the Co-operative Bank might do with its Retained Profit. *(4 marks)*
- (c) Discuss whether the Co-operative Bank would increase its profits if it were to raise the interest rate it charges customers who borrow money. *(6 marks)*

**Turn over ►**

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**Total for this question: 14 marks**

The Co-operative Bank believes that it is different from most other banks. It feels that it has a responsibility towards all its stakeholders.

- (a) Describe **two** ways in which the Co-operative Bank is different from most other banks. *(4 marks)*
- (b) Briefly explain **two** reasons why the Co-operative Bank might encourage its employees to join the banking trade union, Unifi. *(4 marks)*
- (c) Discuss whether the Co-operative Bank should close some of its branches in remote parts of the country. *(6 marks)*

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**Total for this question: 14 marks**

The Co-operative Bank loses a lot of money each year because some of its customers (both people and businesses) do not pay back all of the money they borrow. Details of this can be found in Table 2 on page 8 of the Case Study.

Imagine you have been asked by the Bank to comment on the amount of bad debts it has. Write a report to the Managing Director to express your views.

In your report you should:

- use a suitable format;
- explain **two** or **three** methods by which the Bank could reduce its bad debts;
- discuss each of these methods;
- make a clear recommendation, based on what you have written, whether the Bank should try to reduce its bad debts. *(14 marks)*

**END OF QUESTIONS**