

General Certificate of Secondary Education  
June 2005



**BUSINESS STUDIES SPECIFICATION A  
Foundation Tier**

**3132/F**

Friday 17 June 2005 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**.

---

**SECTION A**

Answer **all** questions in this Section.

---

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

Explain briefly the meanings 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) Retailer *(3 marks)*
- (b) Partnership *(3 marks)*
- (c) Pressure group *(3 marks)*
- (d) Loss leader *(3 marks)*

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

- (a) What is a franchise? *(2 marks)*
- (b) Briefly explain **two** benefits to Marks & Spencer of franchising overseas. *(4 marks)*

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

- (a) Give **two** reasons why people buy shares in businesses. *(2 marks)*
- (b) Briefly explain **two** actions that shareholders might take if they were unhappy with how their company was performing. *(4 marks)*

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

- (a) What is redundancy? *(2 marks)*
- (b) Briefly explain **two** reasons why companies, such as Marks & Spencer, might want to avoid creating redundancies. *(4 marks)*

---

**SECTION B**

Answer **all** questions in this Section.

---

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

Marks & Spencer's three company principles can be found in Table 3 on page 7 of the Case Study.

- (a) Describe **two** ways Marks & Spencer could help the communities in which it operates. (4 marks)
- (b) Explain **two** methods that Marks & Spencer might use to ensure that its products are of a high standard. (4 marks)
- (c) Discuss whether Marks & Spencer should concentrate on looking for cheaper suppliers rather than providing high quality products. (6 marks)

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

We are told on page 4 of the Case Study that most of Marks & Spencer's stores are in high street locations. Much of Marks & Spencer's clothing is now sold under its new brand names, such as those shown in Table 5, on page 9. Marks & Spencer sells an increasing number of its goods through the internet.

- (a) Describe **two** benefits to Marks & Spencer of creating new brand names. (4 marks)
- (b) Explain **two** difficulties that Marks & Spencer has selling its goods through the internet. (4 marks)
- (c) Discuss whether Marks & Spencer should be opening more stores in out-of-town locations. (6 marks)

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

On page 7 of the Case Study we are told that Marks & Spencer employs a number of staff who work part time. Marks & Spencer has a long history of looking after its employees and operates a telephone helpline for those employees with personal or work problems. The Company provides an extensive range of perks for its employees, such as a subsidised share scheme and store discount cards.

- (a) Briefly describe **two** possible reasons why Marks & Spencer decided to introduce its employee telephone helpline. (4 marks)
- (b) Explain **two** benefits to Marks & Spencer of having part-time employees. (4 marks)
- (c) Discuss whether it is better, from Marks & Spencer's point of view, to provide perks for its employees or to pay them higher wages. (6 marks)

**TURN OVER FOR THE NEXT QUESTION**

**Turn over ►**

8

**Total for this question: 14 marks**

Details of Marks & Spencer's finances can be found in Tables 1 and 2 on page 6 of the Case Study. In Table 1, we can see that the turnover from financial services declined between 2002 and 2004.

- (a) Calculate the increase in Marks & Spencer's total assets from 2003 to 2004. *(4 marks)*
- (b) Explain **two** possible reasons why Marks & Spencer's fixed assets increased between 2002 and 2003. *(4 marks)*
- (c) Discuss whether Marks & Spencer should move out of the financial services sector and concentrate on retailing. *(6 marks)*

9

**Total for this question: 14 marks**

Most of Marks & Spencer's customers are over 30 years old. Imagine the Board of Directors is considering whether it should try to attract more younger people. One way of doing this is to carry out an expensive marketing campaign aimed at younger people.

- (a) List **three** marketing methods that Marks & Spencer's might use to attract younger customers. *(3 marks)*
- (b) Choose **one** of the methods that you listed in **9(a)**. Explain why it is suitable for attracting under 30 year olds to Marks & Spencer. *(4 marks)*
- (c) Discuss whether Marks & Spencer should be trying to attract more young customers. *(7 marks)*

**END OF QUESTIONS**