

General Certificate of Secondary Education
June 2008

**BUSINESS STUDIES SPECIFICATION A
Foundation Tier**

Friday 23 May 2008 9.00 am to 11.00 am

3132/F

F



For this paper you must have:

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

You may use a calculator.

Time allowed: 2 hours

Instructions

- Use black ink or black 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 to be marked.

Information

- The maximum mark for this paper is 105.
Five of these marks are for the Quality of Written Communication.
- The marks for questions are shown in brackets.
- You are reminded of the need for good English and clear presentation in your answers.
All questions should be answered in continuous prose. Quality of Written Communication will be assessed in all answers.

Advice

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

SECTION A

Answer **all** questions in this section.

Total for this question: 12 marks

- 1 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) Manufacturer *(3 marks)*
 - (b) Fringe benefit *(3 marks)*
 - (c) Tax *(3 marks)*
 - (d) Multinational company *(3 marks)*

Total for this question: 6 marks

- 2 (a) What is meant by market research? *(2 marks)*
- (b) Describe **two** different types of market research that Kellogg's might use before it brings out a new type of breakfast cereal. *(4 marks)*

Total for this question: 6 marks

- 3 (a) What is meant by voluntary redundancy? *(2 marks)*
- (b) Give **two** reasons why jobs sometimes become redundant. *(4 marks)*

Total for this question: 6 marks

- 4 (a) What is flow production? *(2 marks)*
- (b) Describe **two** reasons why many large businesses choose to use flow production. *(4 marks)*

SECTION B

Answer **all** questions in this section.

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

Total for this question: 14 marks

5 On **page 7** of the Case Study, we are told that Kellogg's has many brands of cereals. Each brand needs to be advertised on television to keep it well known. There is a freephone customer telephone number printed on the packaging of each product. Many of Kellogg's products are aimed at children.

- (a) Describe **two** ways in which advertising of Frosties would be different from that of Special K. *(4 marks)*
- (b) Explain **two** benefits to Kellogg's of having its freephone customer telephone number printed on each product. *(4 marks)*
- (c) Discuss whether it is a good idea for Kellogg's to have so many different brands aimed at children. *(6 marks)*

Total for this question: 14 marks

6 Kellogg's believes in treating its employees well to get the best from them. On **page 8** of the Case Study, we are told that Kellogg's encourages its employees to buy shares in the business. Kellogg's also has a family-friendly approach to working. Office workers are allowed to wear casual clothing, rather than business suits.

- (a) Give **two** reasons why Kellogg's might encourage its employees to buy shares in the business. *(4 marks)*
- (b) Explain why Kellogg's might want family-friendly working conditions for its employees. *(4 marks)*
- (c) Discuss whether you believe it is a good idea that Kellogg's allows office workers to wear casual clothes. *(6 marks)*

Turn over ►

Total for this question: 14 marks

7 Details of Kellogg's finances can be found on **page 9** of the Case Study. The graphs show that Kellogg's sales and its operating profit in Asia fell between 2005 and 2006.

- (a) What is meant by:
- (i) assets;
 - (ii) liabilities? *(4 marks)*
- (b) Calculate the value of Kellogg's fixed assets in 2006. *(Show your working)* *(4 marks)*
- (c) Discuss whether you believe that Kellogg's should stop selling cereals in Asia. *(6 marks)*

Total for this question: 14 marks

8 We are told in the Case Study (**page 8**) that Kellogg's has donated funds to improve deprived areas in Manchester and Wrexham. On the same page we learn that Kellogg's supports breakfast clubs in schools. On **page 5**, we are told that Kellogg's needs to make 220 jobs redundant.

- (a) Describe **two** ways in which Kellogg's might help deprived areas of Manchester and Wrexham. *(4 marks)*
- (b) Explain **two** benefits to Kellogg's of supporting local schools' breakfast clubs. *(4 marks)*
- (c) Discuss whether Kellogg's should cut back the money which it gives to charity instead of reducing the number of jobs in Manchester. *(6 marks)*

Total for this question: 14 marks

9 On **page 5** of the Case Study, we are told that Kellogg's does not make cereals to be sold as supermarkets' own brands.

- (a) What is meant by supermarkets' own brand products? *(2 marks)*
- (b) Explain **two** reasons why a packet of a supermarket's own brand of cornflakes is usually sold at a lower price than a Kellogg's packet. *(4 marks)*
- (c) Discuss whether you believe that Kellogg's should sell cornflakes to supermarkets that will then be sold as supermarkets' own brands. *(8 marks)*

END OF QUESTIONS