

General Certificate of Secondary Education  
June 2006



**BUSINESS STUDIES SPECIFICATION A  
Higher Tier**

3132/H

**H**

Thursday 15 June 2006 1.30 pm to 3.30 pm

**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 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/H.
- 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.  
5 of these marks will be awarded 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**.

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**SECTION A**

Answer **all** questions in this section.

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**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) Entrepreneur *(3 marks)*
  - (b) Planning permission *(3 marks)*
  - (c) Mission statement *(3 marks)*
  - (d) Lead time *(3 marks)*

**Total for this question: 6 marks**

- 2**
- (a) What is meant by recruitment? *(2 marks)*
  - (b) Describe **two** ways in which Center Parcs might recruit the best staff to work at a holiday village. *(4 marks)*

**Total for this question: 6 marks**

- 3**
- (a) What is meant by quality control? *(2 marks)*
  - (b) Describe **two** reasons why a business needs to be concerned about the quality of its product. *(4 marks)*

**Total for this question: 6 marks**

- 4**
- (a) What is meant by limited liability? *(2 marks)*
  - (b) Describe **two** advantages of a business becoming a limited company. *(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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**Total for this question: 14 marks**

- 5** Center Parcs conducted market research before it decided to open its first UK holiday village. It is developing the use of its holiday villages for business conferences (see **page 6** of the Case Study).
- (a) Describe **two** items of information which Center Parcs might have obtained by desk research before it opened its first UK holiday village. (6 marks)
- (b) Discuss whether penetration pricing would be the most appropriate pricing strategy for Center Parcs to use for its new conference business customers. (8 marks)

**Total for this question: 14 marks**

- 6** Center Parcs believes that it is important to have a well-trained and motivated staff (see **page 9**). We are told that Center Parcs tries different ways to motivate employees.
- (a) Describe **two** difficulties which Center Parcs might experience by having a large proportion of its employees working part-time. (6 marks)
- (b) Discuss whether paying higher wages is the best way of rewarding Center Parcs' employees. (8 marks)

**Total for this question: 14 marks**

- 7** Details of Center Parcs' finances can be found in **Figure 7** on **page 10**. Center Parcs will need to consider ways of funding the new holiday village it has planned (see **page 4**).
- (a) (i) Use the information in **Figure 7** to calculate Center Parcs' Gross Profit Margin for 2005. (3 marks)
- (ii) Explain why it is important that Center Parcs makes a high Gross Profit. (3 marks)
- (b) Discuss whether selling more shares is the best way for Center Parcs to raise money to pay for the proposed fifth holiday village. (8 marks)

**Turn over ►**

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**Total for this question: 14 marks**

**8** We are told on **pages 6 and 11** that Center Parcs is affected by economic recessions and changes in exchange rates.

- (a) Describe **two** effects which an economic recession might have on Center Parcs' business. *(6 marks)*
- (b) Discuss whether an increase in the value of the pound against the euro is likely to have a big impact on Center Parcs' profits. *(8 marks)*

**Total for this question: 14 marks**

**9** Imagine that Center Parcs discovered that another company had announced plans to open a UK holiday village aimed at the ABC1 market.

Write a report for the Chief Executive of Center Parcs outlining your ideas on how the company should react to this possible competitor.

You will need to:

- state **two** or **three** strategies which Center Parcs might use to keep its market share;
- analyse these strategies, saying clearly how effective each is likely to be;
- state which course of action you would recommend, justifying your view.

*(14 marks)*

**END OF QUESTIONS**