

General Certificate of Secondary Education  
June 2007



**BUSINESS STUDIES SPECIFICATION A  
Higher Tier**

**3132/H  
H**

Thursday 14 June 2007 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 to be marked.

**Information**

- The maximum mark for this paper is 105.  
Five of these marks will be awarded for using good English, organising information clearly and using specialist vocabulary where appropriate.
- The marks for questions are shown in brackets.

**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) Core business *(3 marks)*
  - (b) Merger *(3 marks)*
  - (c) Quality Control *(3 marks)*
  - (d) Diversification *(3 marks)*

**Total for this question: 6 marks**

- 2**
- (a) What is meant by a partnership? *(2 marks)*
  - (b) Describe **two** advantages that a partnership might have over a sole trader. *(4 marks)*

**Total for this question: 6 marks**

- 3**
- (a) What is meant by batch production? *(2 marks)*
  - (b) Describe **two** benefits to a business of using batch production. *(4 marks)*

**Total for this question: 6 marks**

- 4**
- (a) What is meant by an ethical business? *(2 marks)*
  - (b) Describe **two** reasons why a business, such as Boots, might choose to behave in an ethical manner. *(4 marks)*

---

**SECTION B**

Answer **all** questions in this section.

---

**Total for this question: 14 marks**

- 5** We are told on page 6 of the Case Study that Boots operates its popular Advantage Card for customers. Boots sells some of its products under brand names, such as No7 and Botanics. Many products, however, continue to be sold under the Boots label.
- (a) Describe **two** ways in which Boots benefits from having the Advantage Card. *(6 marks)*
- (b) Discuss whether Boots would benefit from creating more brand names for its range of products. *(8 marks)*

**Total for this question: 14 marks**

- 6** It states on page 10 of the Case Study that Boots provides full training for its employees. Boots also considers that employees should be consulted before any major company decisions are made.
- (a) Describe **two** reasons why it is important that Boots provides full training for its employees. *(6 marks)*
- (b) Discuss whether it is wise for Boots' managers to consult with employees and their trade unions before important decisions are made. *(8 marks)*

**Total for this question: 14 marks**

- 7** Details of Boots' finances for 2004 and 2005 can be found in Table 1 on page 9 of the Case Study.
- (a) (i) Calculate the percentage change in Boots' retained profit between 2004 and 2005. *(3 marks)*
- (ii) Explain **one** way Boots might be affected by this change. *(3 marks)*
- (b) Discuss whether Boots' turnover or its operating profit is the better way of measuring the company's success. *(8 marks)*

**Turn over ►**

---

**Total for this question: 14 marks**

**8** Like all businesses, Boots is influenced by government policies. Page 11 of the Case Study tells us that the government has deregulated the pharmacy industry. Another government influence comes from the UK's membership of the EU.

- (a) Describe **two** ways in which Boots might respond to the deregulation of the pharmacy industry. *(6 marks)*
- (b) Discuss whether Boots is likely to benefit from the UK's membership of the EU. *(8 marks)*

**Total for this question: 14 marks**

**9** Boots recognises that most of its customers are women. Imagine that you are a business consultant and have been asked by Boots to consider ways of increasing the number of male customers.

You have to write a report to Boots' board of directors, examining the issues and advising the board on what it should do.

You will need to:

- State **two or three** strategies that Boots might adopt to increase the number of male customers
- 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**