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General Certificate of Secondary Education June 2003

BUSINESS STUDIES SPECIFICATION B Foundation Tier Paper 3

3133/3F



Monday 23 June 2003 9.00 am to 10.15 am

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No additional materials are required.You may use a calculator.

Time allowed: 1 hour 15 minutes

Instructions

- Use blue or black ink or ball-point pen.
- Fill in the boxes at the top of this page.
- Answer all questions in the spaces provided.
- Do all rough work in this book. Cross through any work you do not want marked.
- If you need additional space, you should continue your answers at the end of this book, indicating clearly which question you are answering.

Information

- The maximum mark for this paper is 104.
- Mark allocations are shown in brackets.
- You should use examples wherever appropriate to support your explanations or arguments.
- You will be awarded up to 5 marks for the quality of your written communication, including spelling, punctuation and grammar.

For Examiner's Use					
Number	Mark	Number	Mark		
1					
2					
Total (Column	1)	-			
Total (Column	2)	>			
Quality of Communi	Quality of Written Communication				
TOTAL	TOTAL				
Examiner	's Initials				

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Answer all questions in the spaces provided.

1

Brian Probin works for a local animal feed manufacturer, Huxleys Mill Ltd. His job is to visit farmers within 20 miles of Welford to collect orders from existing customers. He also visits other farms to persuade them to buy feed from his company.

The feed manufacturer provides Brian with a vehicle and pays him a salary of £20 000 per year.

Brian is expected to fill in a form each day stating the farms he has visited, the miles he has driven, the length of time spent with the customers and the value of the orders he has taken. His boss, the Sales Manager, checks the form each week and expects him to have made at least six visits a day. He also insists that Brian visits each existing customer once every six weeks.

The Sales Manager has recommended to the Managing Director that the company changes Brian's method of payment to commission only.

(a)	Explain what is meant by the term <i>Ltd</i> .
	(4 marks)
(b)	Huxleys Mill Ltd tries to attract new customers by:
	• free samples;
	• permanent low prices;
	• well trained staff.
	Discuss the advantages and disadvantages of each of these methods and explain which you think would be the most effective.

(12 marks)

QUESTION 1 CONTINUES ON THE NEXT PAGE

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(d)	Explain what sort of management style best describes Brian's boss.
	(8 marks)

 $\left(\frac{}{36}\right)$

TURN OVER FOR THE NEXT QUESTION

2 The Wentworth Hotel was set up in 1960 by the Cooke family in the historic seaside town of Aldeford.

WENTWORTH HOTEL

Welcome to our family owned and run hotel

- We are ideally situated close to the beach and 200 metres from the main shopping area.
- We have 43 elegantly furnished, comfortable bedrooms.
- All our bedrooms have en-suite bathrooms, satellite television and telephone.

Tel: 01843 200300 Fax: 01843 200301

The hotel is fully booked during the months of July and August, when a lot of tourists visit the town. However, cash flow problems often arise during the winter months.

The hotel has a restaurant, which is building up an excellent reputation. The recently appointed head chef, Jamie Thomas, has helped to increase the trade. The restaurant has become very busy during the week, as well as at weekends. It is now attracting people living locally as well as serving guests staying at the hotel.

(a)	Describe the costs and benefits that the hotel might bring to the town of Aldeford.

	(9 marks)
(b)	Describe why the following factors could have been important when the Cooke family were choosing to buy a hotel.
	Closeness to the beach and shops
	• Price of the property
	Near to the railway station
	(9 marks)

QUESTION 2 CONTINUES ON THE NEXT PAGE

(c)	Explain why the hotel often suffers from a cash flow problem.
	(9 marks)

(d)	The owners of the Wentworth Hotel are considering whether to:
	• advertise winter breaks in magazines aimed at retired people;
	• put advertisements in Tourist Information Offices;
	• set up a website.
	Discuss the advantages and disadvantages of each of these methods and explain which you think would be the most effective to attract guests to the hotel during the winter months.
	(12 marks)

QUESTION 2 CONTINUES ON THE NEXT PAGE

Turn over

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