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For Examiner's Use

General Certificate of Secondary Education June 2008

BUSINESS STUDIES SPECIFICATION B Paper 3 Foundation Tier





Monday 16 June 2008 1.30 pm to 2.45 pm

You will need no other materials.

Time allowed: 1 hour and 15 minutes

Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer all questions.
- You must answer the questions in the spaces provided. Answers written in margins or on blank pages will not be marked.
- Do all rough work in this book. Cross through any work you do not want to be marked.

Information

- The maximum mark for this paper is 94. Four of these marks are for the Quality of Written Communication.
- The marks for questions are shown in brackets.
- You should use examples wherever appropriate to support your explanations or arguments.
- 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.

For Examiner's Use						
Question	Mark	Question	Mark			
1		6				
2		7				
3		8				
4 9						
5		10				
Total (Co	olumn 1)	-				
Total (Column 2) —						
Quality of Written Communication						
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Answer all questions.

Read and use **Data** A to help you answer Questions 1 to 3.

Data A

Peter Jackson is a sole trader who owns *Tall Trees*. It is a successful garden centre that he has built up and expanded over the past ten years. It sells a variety of plants, garden tools, fertiliser, and other gardening accessories. The plants are grown on site and other products are bought from trade suppliers.

Peter has recently obtained planning permission from the local council to build a café. He thinks that this will greatly increase the sales revenue of *Tall Trees*. He has estimated that it will cost £180 000 to build and equip the café. His accountant has advised him to consider turning *Tall Trees* into a private limited company. This will allow him to attract new shareholders in order to raise the necessary finance.

1	(a)	Explain what is meant by the term 'private limited company'.
		(3 marks)
		(Extra space)



)	Compare the advantages and disadvantages to Peter of changing <i>Tall Trees</i> into a private limited company.
	(8 mar
	(Extra space)



Peter has decided that	he should go and l	ook at the cafés i	n other garden centre	es.
State three different p these cafés. Explain h				en visiting
Item 1				
Explanation				
Item 2				
Explanation				
Item 3				
Explanation				
				(9 mark
(Extra space)				



Peter's accountant has advised him to produce a detailed business plan for the new café's first year of operation.

3	(a)	Describe two important parts of a business plan.
		(4 marks)
		(Extra space)
		Question 3 continues on the next page



(8 m
(Extra space)







Read and use **Data B** to help you answer Questions 4 and 5.

Data B

When Peter first opened *Tall Trees*, his business objectives were to survive the first six months and to break even by the end of the first year. With the addition of the café in the near future, he realises that he will need to set new objectives. One of these objectives is the growth of the business.

4	Explain why it is important for a business to set objectives.
	(4 marks)
	(Extra space)



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(Extra space)	 	
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Read and use **Data** C to help you answer Questions 6 to 10.

Data C

Peter needs to recruit staff with suitable skills and experience to work in the café. He is considering using the following methods to recruit three full-time and six part-time staff:

- 1. advertise in the local newspaper;
- 2. put notices up at *Tall Trees* garden centre;
- 3. contact local schools and colleges.



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Describe two methods of training that Peter could use	
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	(6 marks)
(Extra space)	



8	(a)	Describe three areas in which Peter will need to train his new café staff.
		(6 marks)
		(Extra space)



Advise Peter which area might be the most important and justify your answer.					
(6 m					
(6 m)					
(Extra space)					
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Exp	xplain two ways in which <i>Tall Trees</i> might be affected by the factory closures. Advise eter on whether or not he should still continue with his plans to open the café.					
Pete	er on whether or not he should still continue with his plans to open the care.					
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