

Surname		Other Names	
Centre Number		Candidate Number	
Candidate Signature			

Leave blank
-------------

General Certificate of Secondary Education  
June 2003



**BUSINESS STUDIES SPECIFICATION B  
Higher Tier  
Paper 3**

**3133/3H**

**H**

Monday 23 June 2003 9.00 am to 10.15 am

<p><b>No additional materials are required.</b> You may use a calculator.</p>
---

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 106.
- 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 Written Communication			
TOTAL			
Examiner's Initials			

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 *Ltd.*

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

(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.

.....  
.....





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

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

*(8 marks)*

**QUESTION 1 CONTINUES ON THE NEXT PAGE**

**Turn over** ▶



- 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. Explain whether you think the benefits outweigh the costs.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Turn over ►

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(12 marks)

(b) Explain **three** location factors which might have been important when the Cooke family were buying a hotel in Aldeford. Explain which of these you think was the most important.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....



.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

*(12 marks)*

(c) Describe the possible effects on the hotel of the cash flow problem.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

*(8 marks)*

**QUESTION 2 CONTINUES ON THE NEXT PAGE**

**Turn over** ►



