

General Certificate of Secondary Education
June 2006

BUSINESS STUDIES SPECIFICATION B
BUSINESS STUDIES SPECIFICATION B (SHORT COURSE)
Paper 2

3133/9/2

(SHORT COURSE)

F&H



Tuesday 20 June 2006 1.30 pm to 2.30 pm

CASE STUDY BOOKLET

Read this case study before attempting to answer the questions.

DATA 1**Standard newspaper advertisement for Sammy's Ltd.**

<p>Sammy's sandwiches Good food at cheap prices Open 10.00 am to 4.30 pm Mon – Sat You've got to bite it to believe it!</p>
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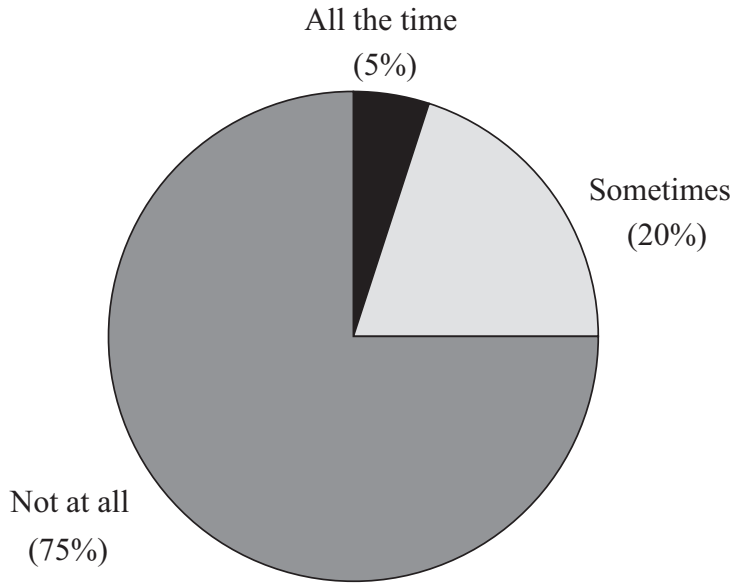
DATA 2**Sammy's Ltd profit and loss account for the year ending 31 December 2005**

	£	£
Sales revenue		1 700 000
Cost of sales		500 000
Gross profit		<u>1 200 000</u>
Less expenses		
Advertising	30 000	
Wages	900 000	
Electricity	40 000	
Rates	60 000	
Other expenses	70 000	1 100 000
Net profit		<u>100 000</u>

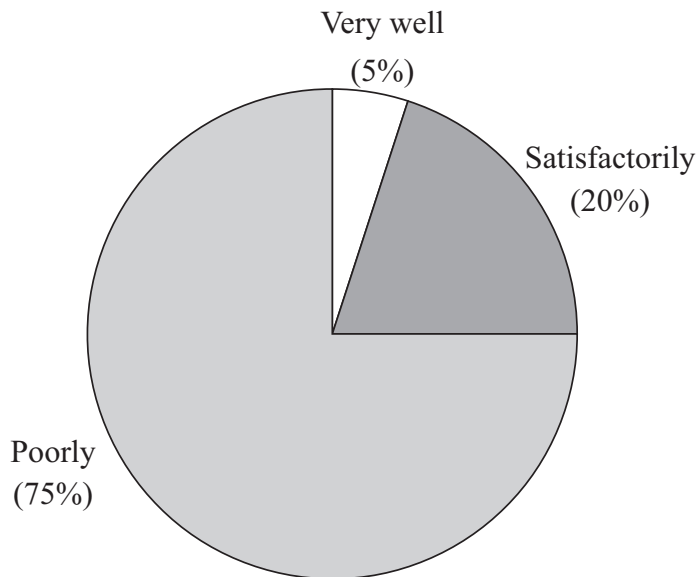
DATA 3

Results of a recent survey of its workforce carried out by Sammy's Ltd management

Do you enjoy working here?

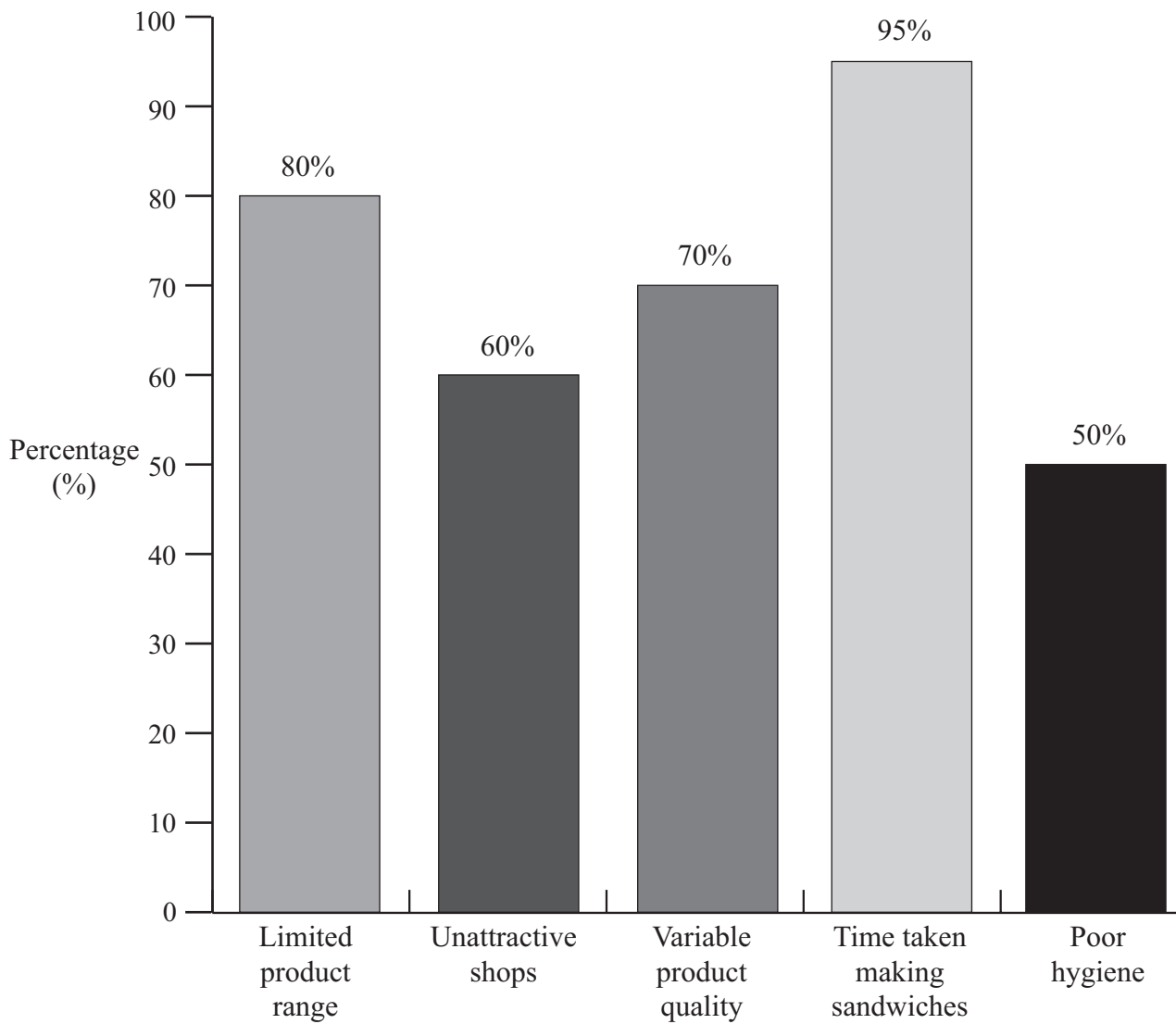


How well do you feel the business is run?

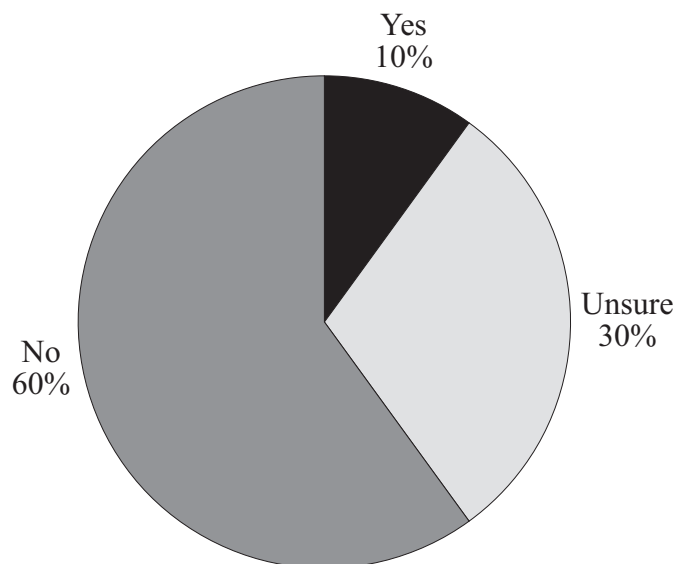


Turn over ►

What do you feel are the major problems faced by our shops? (Top five answers)

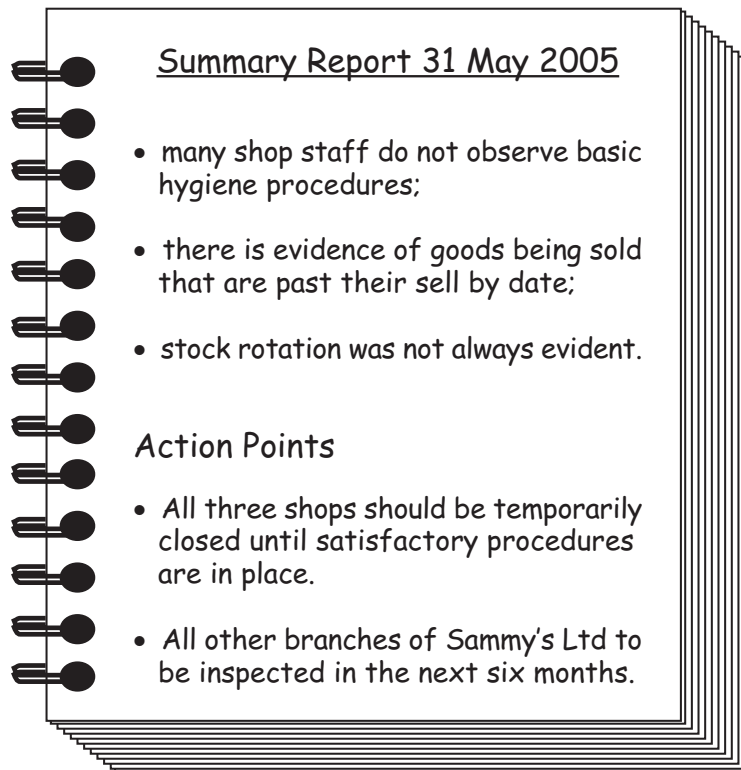
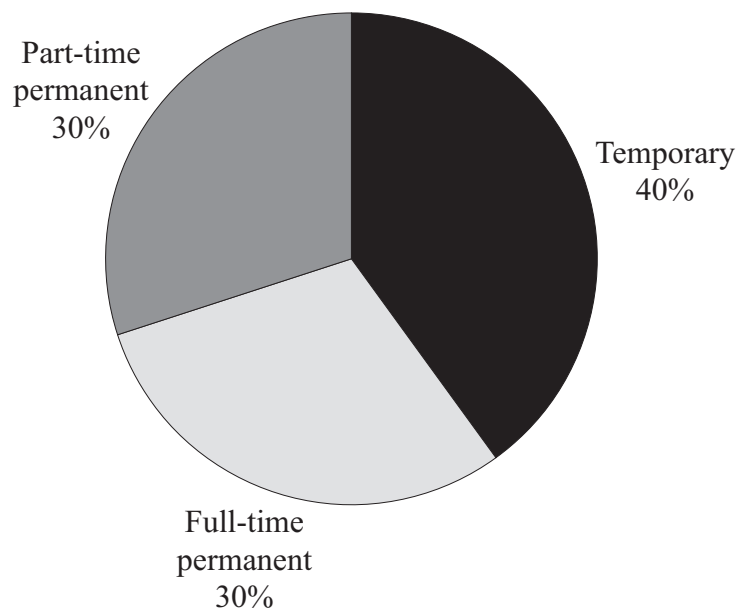


Are you aware of the future plans for the business?



DATA 4

Following a large number of complaints from customers, environmental health inspectors visited three branches of Sammy's Ltd and noted the following points:

**DATA 5****Type of worker at Sammy's Ltd**

(Temporary workers are those workers hired at busy times of the year. For example on busy weekends.)

Turn over ►

DATA 6

Extract from an article in a food retailer's trade magazine on 28 April 2005

The end for the basic sandwich shop

Two more sandwich chains in South-East England have closed. Will they be the last? It is clear that unless you can offer your customers something else; such as outside catering or delivery, then your market share will quickly disappear to those who can. So the basic sandwich shop must start to look for something extra if it is to survive.

DATA 7**Estimated purchase costs**

	£
Purchase of Sammy's Ltd.	15 000 000
Refurbishment of shops	2 000 000
Moving sandwich production away from shops to a centralised factory	3 000 000

DATA 8**Conversation between marketing staff at PizzaWorld plc:**

If we do buy Sammy's Ltd the first thing we need to do is to ask our customers what their views are.

More important than our customers' views are the views of the customers at Sammy's Ltd.



Not just their views, but also what type of customer they are, their age, job and income levels.

Surely before we do any of this primary research, we need to look at what information is already out there?



Good point, we must consider sales trends in the fast food industry.

Yes and what about all the new competition? Who are they? How are they going to react?



What about the economy as a whole? Is this a good time to think about expanding or should we wait for more prosperous times?

Turn over ►

DATA 9
Extract from a balance sheet for PizzaWorld plc as at 31 December 2005

Last year, PizzaWorld plc made £4 million profit and its share price continues to rise.

	£ 000s	£ 000s	£ 000s
Fixed assets			50 000
Current assets			
Stock	2 000		
Debtors	2 000		
Cash	<u>15 000</u>		
		19 000	
Current liabilities			
Creditors	<u>5 000</u>		
		5 000	
Net current assets			<u>14 000</u>
Net assets employed			<u>64 000</u>