

Surname		Other Names	
Centre Number		Candidate Number	
Candidate Signature			

For Examiner's Use

General Certificate of Secondary Education
June 2007

**BUSINESS STUDIES (SPECIFICATION B)
Paper 3
Foundation Tier**

**3133/3F
F**



Thursday 21 June 2007 9.00 am to 10.15 am

You will need no other materials.
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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.
- Answer the questions in the spaces provided.
- Do all rough work in this book. Cross through any work you do not want to be 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 94.
Four of these marks will be awarded for the Quality of Written Communication, including spelling, punctuation and grammar.
- The marks for questions are shown in brackets.
- You should use examples wherever appropriate to support your explanations or arguments.

For Examiner's Use			
Question	Mark	Question	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

Sally Campbell has lived on her family farm all her life. Sally and her father, David Campbell, are both partners in the farm.

The farm grows potatoes which are sold to a local processing factory to be made into oven chips. Recently, there have been rumours that the chip factory may close. Sally and David are concerned about the future of their farm. Sally has suggested to David that they start making and selling their own potato crisps. The equipment for this would cost £120 000.

(a) Explain what is meant by the term ‘partnership’.

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(3 marks)

- (c) Sally and David need equipment to start producing crisps. They are investigating possible sources of finance and are considering:
- leasing the equipment
 - getting a loan to buy the equipment.

Discuss the advantages and disadvantages of both of these options. Explain and justify which you think would be better.

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(12 marks)

Sally and David are thinking about how they can sell their potato crisps. Near to Sally and David there is a wholesaler who would be prepared to stock their crisps.

- (d) Sally and David plan to distribute their crisps through the local wholesaler. Compare the advantages and disadvantages of using a local wholesaler as the channel of distribution for their crisps.

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(9 marks)

(e) Explain whether you think that Sally and David were right to use the local wholesaler.

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(4 marks)

40

2

Phones for All is a national mobile phone network. As well as selling phones through its own shops it also sells them through its website. The website has grown over the years. The home page has the following site index.

<i>Phones for All</i>		Home	Jobs	Search
Homepage	➤	Guide to our services	➤	
Our commitment to our customers	➤	The <i>Phones for All</i> shop	➤	
Our commitment to the environment	➤	Contact us	➤	
Community links	➤	Our latest offers	➤	
Jobs with <i>Phones for All</i>	➤	Help	➤	

The site is popular both with customers and also with people looking for jobs at *Phones for All*. *Phones for All* has the business objectives of increasing its share of the market and being one of the most innovative phone companies.

- (a) Explain, using examples, what is meant by the term 'business objectives'.

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(4 marks)

Turn over ►

(b) Describe how *Phones for All* might try to increase its share of the market.

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(6 marks)

(c) *Phones for All* has chosen to use its website, rather than local newspapers, to advertise vacancies in its shops. Compare the two methods and justify why you think that it has made this decision.

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(12 marks)

Turn over ▶

The website contains a copy of an application form that people who wish to apply for a vacancy can download and complete. The application form asks for name, address, contact phone numbers and email address.

- (d) (i) Give **two** other important pieces of information that *Phones for All* might need applicants to provide.

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(2 marks)

- (ii) Explain why each of these is important for *Phones for All*.

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(6 marks)

Phones for All is a public limited company. It is keen to advertise the fact that it cares about all its stakeholders. On its website it has pages about its community links and its commitment to the environment.

(e) Explain, using examples, what is meant by the term ‘stakeholders’.

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(4 marks)

Question 2 continues on the next page

Turn over ►

(f) Describe how the local community might benefit from having a *Phones for All* shop in their town.

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(7 marks)

When new phones are going to be sold in *Phones for All* shops, all shop staff are given some training. This training usually takes place in the shop itself.

Each shop manager goes for two days' training a year in the company's main offices. This training includes how to set sales targets for the coming year and how to improve the look of the shops. They are also given the latest company information which includes how well the company has performed in the last year.

- (g) Compare the advantages and disadvantages of using off the job training for its shop managers.

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(9 marks)

END OF QUESTIONS

Dotted lines for writing.

