

**GENERAL CERTIFICATE OF SECONDARY EDUCATION
 BUSINESS STUDIES A (SHORT COURSE)**

Case Study – Paper 3 (Foundation Tier)

FRIDAY 23 MAY 2008

Morning
 Time: 1 hour

Candidates answer on the question paper

Additional materials (enclosed): Clean copy Case Study

Additional materials (required):

Calculators may be used



Candidate
 Forename

Candidate
 Surname

Centre
 Number

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Candidate
 Number

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INSTRUCTIONS TO CANDIDATES

- Write your name in capital letters, your Centre Number and Candidate Number in the boxes above.
- Use blue or black ink. Pencil may be used for graphs and diagrams only.
- The spaces should be sufficient for your answers but if you require more space, use the lined pages at the end of the booklet and number your answers carefully.
- Read each question carefully and make sure that you know what you have to do before starting your answer.
- Answer **all** the questions.
- Do **not** write in the bar codes.
- Write your answer to each question in the space provided.
- The spaces should be sufficient for your answers but if you require more space, use the lined pages at the end of the booklet and number your answers carefully.
- Make sure that all your answers relate to the pre-released case study material.

INFORMATION FOR CANDIDATES

- The number of marks for each question is given in brackets [] at the end of each question or part question.
- The total number of marks for this paper is **60**.
- The quality of your written communication will be taken into account when marking your answers to questions labelled with an asterisk (*).

FOR EXAMINER'S USE	
1	
2	
3	
4	
TOTAL	

This document consists of **10** printed pages and **2** lined pages.

Answer **all** questions.

MAKE SURE THAT ALL YOUR ANSWERS RELATE TO THE PRE-RELEASED CASE STUDY MATERIAL.

1 (a) Customers and workers are stakeholder groups in Link Spas plc. Why does each stakeholder group have an interest in the business?

Customers

Workers

[2]

(b) State and explain **two** advantages to Alan of changing Link Spas plc from a sole trader into a public limited company.

Advantage 1

.....

.....

Advantage 2

.....

.....[4]

(c) Answer the following TRUE or FALSE.

Link Spas plc is part of the tertiary sector[1]

2 (a) Use the case study and Resource Sheet 2. Answer the following questions.

(i) In the chain of command, to whom does the Assistant Manager (Health and Fitness) report?

.....[1]

(ii) What is the span of control of the Assistant Manager (Buildings and Maintenance)?

.....[1]

(b) Use Fig. 1 and the case study to answer the following questions.

(i) Identify **three** problems which Link Spas plc needs to solve urgently.

1.

2.

3.[3]

(ii) Select **one** of the problems identified in **b(i)** and explain why it is more urgent than the others.

Problem

Explanation

.....

.....

.....

.....[3]

(c) Which **two** of the following factors are a **disadvantage** to the residents of Skathely of Link Spas plc operating in the area? Tick the **two** appropriate boxes.

FACTORS	TICK (✓)
Increased employment	
Increased traffic	
Increased taxation	
Increased noise	

[2]

- 3 (a) Use Resource Sheet 4 to answer the following question.
Identify **one** example of a variable cost relating to the spa in Poland.

.....[1]

- (b) Use Resource Sheet 1 to answer the following questions.

- (i) Customers pay £600 for an individual annual subscription. The cost to Link Spas plc of each of these subscriptions is £75. Calculate how much profit is made on each annual subscription.

Show your working.

.....
.....
.....[2]

- (ii) Calculate the percentage increase in total revenue between year ended 31.8.06 and year ended 31.8.07. Show your working.

.....
.....
.....
.....[3]

- (iii) Which **two** types of revenue should Link Spas plc concentrate on to increase overall annual revenue? Give reasons for your answer.

.....
.....
.....
.....
.....
.....
.....[4]

4 Use the information in the case study and the Resource Sheets to answer the following questions.

(a) The Board of Directors of Link Spas plc has to make a decision about which one of the following options to choose:

- employ personal trainers to visit people’s homes
- open a new spa in Poland.

(i) Explain **one** possible advantage and **one** possible disadvantage to Link Spas plc of employing personal trainers to visit people’s homes.

Advantage

.....

.....

Disadvantage

.....

.....[4]

(ii) Explain **one** possible advantage and **one** possible disadvantage to Link Spas plc of setting up a spa in Poland.

Advantage

.....

.....

Disadvantage

.....

.....[4]

(b) Which of the **two** options would you recommend to Link Spas plc?

Explain **one** reason for your choice.

Choice

Reasons

.....

.....

.....

.....[3]

[Total mark: 11]

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