

Candidate Name	Centre Number	Candidate Number



**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**  
**General Certificate of Secondary Education**

**BUSINESS STUDIES A**

**1951/5**

OPTION: BUSINESS COMMUNICATION  
AND MARKETING

PAPER 5 FOUNDATION TIER

Tuesday                      **20 JUNE 2006**                      Afternoon                      1 hour

Candidates answer on the question paper.  
No additional materials are required.

**TIME**    1 hour

**INSTRUCTIONS TO CANDIDATES**

- Write your name, Centre number and candidate number in the spaces at the top of this page.
- Answer **all** questions.
- Write your answers in the spaces on the question paper.
- The spaces should be sufficient for your answers but if you require more space use the lined page at the end of the booklet and number your answers carefully.

**INFORMATION FOR CANDIDATES**

- The number of marks 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 answer to the question labelled with an asterisk (\*).
- You may use an approved calculator.

FOR EXAMINER'S USE	
Question 1	
Question 2	
<b>TOTAL</b>	

---

**This question paper consists of 11 printed pages and 1 lined page.**

1 Tracey Greens Ltd is a department store which sells a range of clothing, electrical equipment and food.

(a) Tracey Greens Ltd uses different methods of communication.

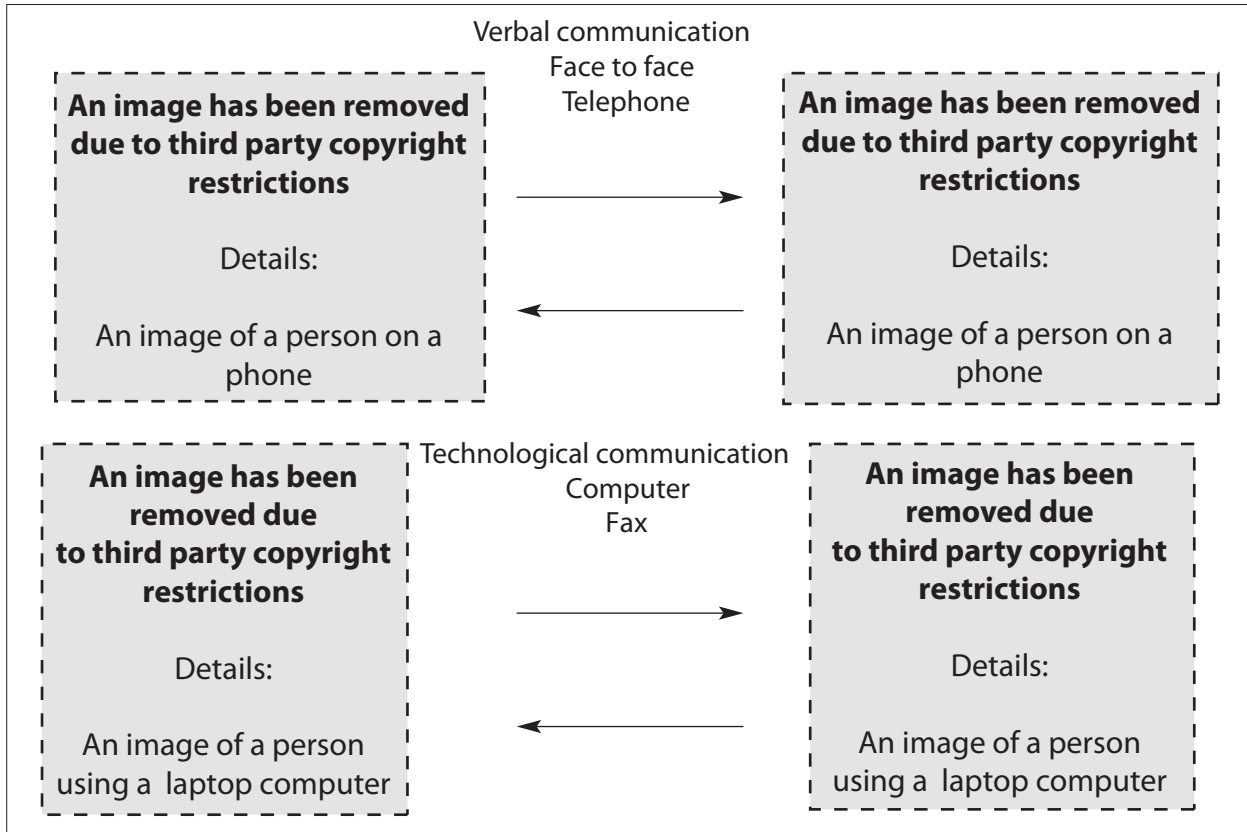


Fig. 1

(i) Use Fig. 1 to explain which type of communication, verbal or technological, Tracey Greens Ltd should use between its managers and sales assistants. Your answer should refer to the advantages and disadvantages of both types of communication.

---

---

---

---

---

---

---

---

---

---

[5]

(ii) Explain why it is important that Tracey Greens Ltd has effective communication within the business.

---



---



---



---



---

[3]

(b) Tracey Greens Ltd is considering changing from a manual stock control system to a computerised stock control system. Fig. 2 shows some of the factors which need to be taken into account before making the decision.

	<b>MANUAL STOCK CONTROL SYSTEM</b>	<b>COMPUTERISED STOCK CONTROL SYSTEM</b>
<b>ADDITIONAL COST</b>	0	£750 000
<b>TIME</b>	Workers count stock regularly. Information passed to managers who then order new stock.	New stock automatically ordered when stock levels are low.
<b>WORKERS NEEDED</b>	25	5

**Fig. 2**

Use Fig. 2 to advise Tracey Greens Ltd whether or not the business should change to a computerised stock control system. Give reasons for your answer.

---



---



---



---



---



---



---



---



---



---

[6]

- (c) Fig.3 provides a summary of the sales figures for the different departments within Tracey Greens Ltd.

	Clothing	Electrical equipment	Food
Number of items sold	500 000	200 000	3 000 000
Sales value	£5 million	£6 million	£1.5 million

**Fig.3**

- (i) State the department which has the highest sales value.

\_\_\_\_\_ [1]

- (ii) Explain why the department with the highest number of items sold may not have the highest sales value.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ [2]

- (d) The Managing Director carried out a SWOT analysis for Tracey Greens Ltd.

- (i) Complete Fig.4 by stating **one** possible strength and **one** possible threat which companies such as Tracey Greens Ltd may experience.

<b>STRENGTH</b>		[1]
<b>WEAKNESS</b>	Poor service	
<b>OPPORTUNITY</b>	Possibility of expanding to Europe	
<b>THREAT</b>		[1]

**Fig.4**

- (ii) Explain how a SWOT analysis may benefit Tracey Greens Ltd.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ [2]

- \*(e) The Managing Director of Tracey Greens Ltd feels the company is not competing well with other department stores. To make itself more competitive, the company could decrease prices, improve service or increase the product range.

**Possible choices for Tracey Greens Ltd**

Choice 1	Choice 2	Choice 3
Decrease prices on all products	Improve service	Increase product range

**Fig. 5**

Using the information in Fig. 5, advise the Managing Director whether to use Choice 1, Choice 2 or Choice 3 to make Tracey Greens Ltd more competitive. Give reasons for your answer.

---



---



---



---



---



---



---



---



---



---



---

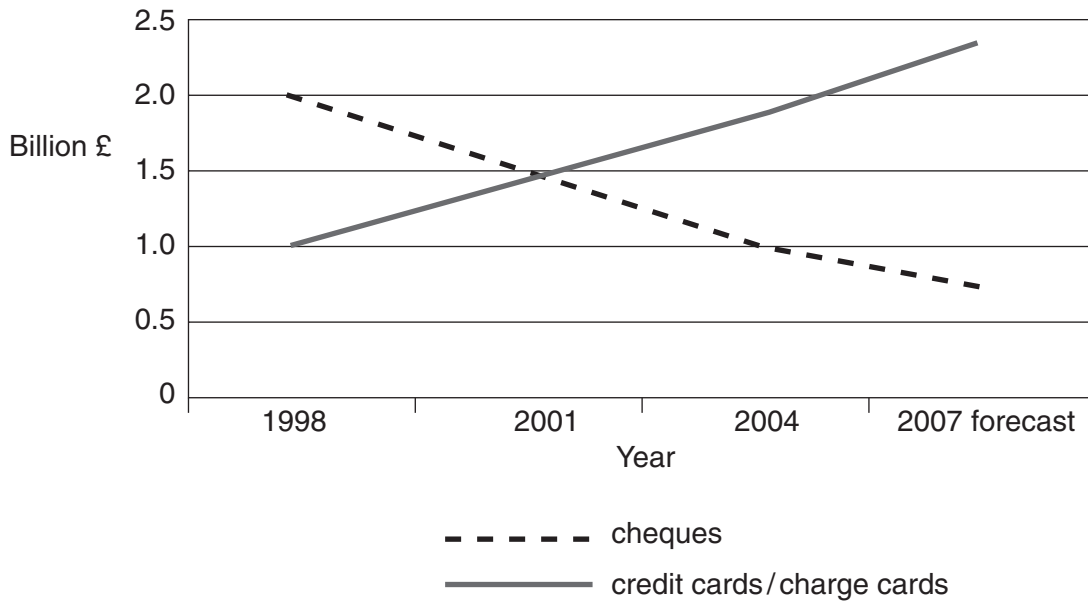


---

[6+2]

QWC

(f) Fig.6 below shows the UK value of sales using cheques and credit/charge cards.



**Fig.6**

Explain why shoppers in the UK are changing to paying by credit/charge cards instead of using cheques.

---

---

---

---

---

---

---

---

---

---

---

---

[4]

**[Total : 33 Marks]**

2 Really Fresh Fish Ltd is a large supplier of fish to individuals, restaurants and supermarkets around the UK.

**An image of a fish has been removed due to third party copyright restrictions**

(a) Explain whether you think Really Fresh Fish Ltd is a good name for the company.

---

---

---

[2]

(b) Explain how Really Fresh Fish Ltd may promote itself using e-commerce.

---

---

---

[2]

(c) Really Fresh Fish Ltd has a strong brand name amongst its customers.

(i) Explain how Really Fresh Fish Ltd may have developed this strong brand name.

---

---

---

---

---

[3]

(ii) State and explain one possible advantage to Really Fresh Fish Ltd of having a strong brand name.

---

---

---

[2]

- (d) Fig. 7 shows the share of the fresh fish market held by Really Fresh Fish Ltd since 2001. It also shows the forecast for 2007.

	2001	2003	2005	Forecast 2007
<b>REALLY FRESH FISH PERCENTAGE MARKET SHARE</b>	5	7	9	7

**Fig.7**

Advise Really Fresh Fish Ltd whether it should be concerned by the data shown in Fig. 7.

---

---

---

---

---

---

---

---

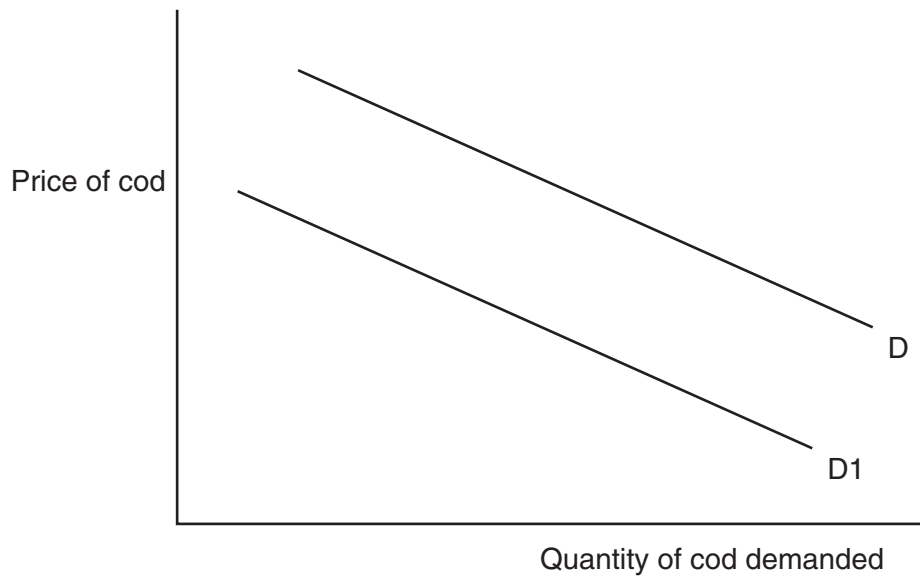
---

---

[4]



- (e) Fig.8 shows the shift in the demand curve during 2005 for cod provided by Really Fresh Fish Ltd.



**Fig. 8**

The information below shows three events that may have caused the demand curve to shift from D to D1 as shown in Fig. 8.

Indicate, with a tick, if each event was likely or unlikely to have caused the shift in the demand curve.

<b>Event</b>	<b><u>Likely</u> to cause a shift in the demand curve from D to D1</b>	<b><u>Unlikely</u> to cause a shift in the demand curve from D to D1</b>
An improvement in fish catching techniques.		
A decrease in competitors' prices of cod.		
A successful advertising campaign by Really Fresh Fish Ltd.		

[3]

- (f) Really Fresh Fish Ltd is thinking about selling coley fish. It could use a random sample in its market research to see if the public would buy coley fish.
- (i) From the list below, draw **one** line to match the term '**random sample**' with its definition.

**RANDOM SAMPLE**

Choosing a sample of customers where each customer has an equal chance of being selected.

Choosing a sample of customers that represents the target market in which you are trying to sell your product.

Choosing a group of customers and paying them to comment on your product.

[1]

- (ii) Really Fresh Fish Ltd could have used a quota sample instead of a random sample. Fig. 9 below shows the features of a random sample and quota sample.

FEATURE	RANDOM SAMPLING METHOD	QUOTA SAMPLING METHOD
Cost	Less expensive	More expensive
Time taken	Quick	Slower
Results	Less reliable	More reliable

**Fig. 9**

Use Fig. 9 to advise Really Fresh Fish Ltd which type of sampling method it should use. Give reasons for your answer.

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

[6]

(g) Really Fresh Fish Ltd decided to **test market** coley as a cheaper alternative to cod.

(i) Tick the box which correctly describes the term '**test market**'.

Where a company tests to see if consumers will like the product.
Where a company tests to see if it can supply the product.

✓

[1]

(ii) Explain why **test marketing** coley may be an advantage to Really Fresh Fish Ltd.

---

---

---

---

---

---

[3]

[Total : 27 Marks]

