

Candidate Name	Centre Number	Candidate Number



OXFORD CAMBRIDGE AND RSA EXAMINATIONS
General Certificate of Secondary Education

BUSINESS STUDIES A

1951/7

Case Study Paper
FOUNDATION TIER

Friday **26 MAY 2006** Afternoon 1 hour 30 minutes

Additional materials:
Clean copy Case Study (1951/7 & 8 (CS))

TIME 1 hour 30 minutes

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 provided on the question paper.

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 is given in brackets [] at the end of each question or part question.

The total number of marks for this paper is 90.

The quality of your written communication will be taken into account when marking your answers to questions marked with an asterisk (*).

FOR EXAMINER'S USE	
1	
2	
3	
4	
5	
TOTAL	

This question paper consists of 13 printed pages and 3 lined pages.

Answer **all** questions.

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

1 (a) Explain why King & Khan (K&K) is classified as a tertiary business and **not** as a primary or secondary business.

[3]

(b)* Becky and James have the following objectives for their business:

- **to survive;**
- **to make a profit.**

Explain why these objectives are important for their business.

[4+2]

(c) Explain **one** disadvantage to Becky and James of operating their business as a partnership.

[2]

QWC

2 (a) To what extent might each of the following affect King & Khan's business?
Explain your answers.

(i) Competitors such as large firms of estate agents.

[3]

(ii) Some of their customers (buyers and sellers of property).

[3]

(b) Explain how health & safety laws might affect King & Khan's business.

[3]

(c) Use Resource Sheet 1 to answer the following question.

(i) Which of the announcements (**A** to **E**) made in the national press is likely to have the **most** effect on King & Khan? Give reasons for your choice.

Choice _____

Reasons _____

_____ [3]

(ii) Which of the announcements (**A** to **E**) made in the national press is likely to have the **least** effect on King & Khan? Give reasons for your choice.

Choice _____

Reasons _____

_____ [3]

[Total mark : 15]

(b) Use the case study and Resource Sheet 4 to answer the following question.

Becky and James have asked you to draw up a short list of **three** candidates for the job of negotiator at the Tyegreen office.

Which **three** candidates do you think would be **most** suitable for the job?
Give reasons for each of your choices.

1 _____

Reasons _____

2 _____

Reasons _____

3 _____

Reasons _____

_____ [6]

(c) The Cordford office has been giving cause for concern for some time (see case study lines 116–123). Becky and James are meeting to discuss the problems and to try to find solutions.

James has suggested that he could carry out the following actions.

- A Move the Administrator, Paul Jenks, to the new Tyegreen office.**
- B Appoint a temporary manager if Jane Draper is going to be off work for some time.**
- C Carry out an investigation to find out the reasons for the poor sales performance.**
- D Talk to all members of staff in the Cordford office to find out their concerns.**

(i) Which **two** actions do you think would be the **most** successful? Give reasons for your choices.

Action 1 _____

Reasons _____

Action 2 _____

Reasons _____

[6]

(ii) Explain why you have **not** chosen the other **two** actions.

[4]

[Total mark : 24]

4 (a) Is the newspaper article given in Fig.3 on page 5 of the case study a cause for concern for King & Khan? Give reasons for your answer.

[3]

(b) Among the properties King & Khan has sold this week are:

- A new 4-bedroomed house at Oswald Park, Colston, for £480 000. King & Khan charged a 1.5% fee on the purchase price for its services.
- A period mid-terraced house in the High Street area of Morley for £84 000. King & Khan charged a 3% fee on the purchase price for its services.

Calculate the total fees earned from these two sales. Show your working.

[5]

Use the case study and Resource Sheet 3 to answer the following questions.

- (c) (i) Mrs Bates is a client. She wishes to rent a house or flat for between £350 and £650 a month. How many houses and flats listed on Resource Sheet 3 will be of interest to her?

_____ [1]

- (ii) King & Khan has found tenants to rent the following flats in Morley. The table below shows the rent paid by the tenants and the fees earned by King & Khan.

FLAT	RENT	FEE
1-bedroomed ground floor flat	£300 pcm	£30 pcm
1-bedroomed flat in large block	£275 pcm	£27.50 pcm

Calculate the total fees earned by King & Khan from letting these two flats for 12 months. Show your working.

_____ [3]

(d) Use the case study and Resource Sheet 5 to answer the following questions.

(i) In which four-month period did King & Khan sell the most houses?

_____ [1]

(ii) Calculate the total number of business properties King & Khan sold in 2005. Show your working.

_____ [2]

(iii)* Should King & Khan be pleased with the revenue from residential property sales during 2005? Give reasons for your answer.

_____ [4+2]

[Total mark : 21]

QWC

5 (a) Use the case study to answer the following question.

Should Becky and James begin to sell French and Spanish properties from their Morley office? Give reasons for your opinion.

Opinion _____

Reasons _____

_____ [3]

(b) Use the information in the case study and the Resource Sheets to answer the following questions.

Becky and James have received an offer from a well-known firm of estate agents to buy their business for £1.5m.

(i) Explain the advantages to Becky and James of accepting the offer.

_____ [2]

(ii) Explain the disadvantages to Becky and James of accepting the offer.

_____ [2]

(iii) Should they accept it? Should they refuse it?
Which course of action would you recommend to Becky and James?
Give reasons for your recommendation.

Choice _____

Reasons _____

_____ [3]

[Total mark : 10]

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (OCR) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

OCR is part of the Cambridge Assessment Group. Cambridge Assessment is the brand name of University of Cambridge Local Examinations Syndicate (UCLES), which is itself a department of the University of Cambridge.