

**GENERAL CERTIFICATE OF SECONDARY EDUCATION  
 BUSINESS STUDIES A**

**1951/05**

Paper 5 Option: Business Communication and Marketing

**MONDAY 16 JUNE 2008**

Afternoon  
 Time: 1 hour

Candidates answer on the question paper  
**Additional materials (enclosed):** None

**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.
- 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 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 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 answer to the question labelled with an asterisk (\*).

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

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

1 Organicas Ltd owns 10 large supermarkets selling organic food and drink to customers around the UK.

(a) Organicas Ltd uses e-commerce in its business. Explain **one** advantage and **one** disadvantage to Organicas Ltd of using e-commerce.

Advantage .....

.....

.....

Disadvantage .....

.....

.....[4]

(b) Read the following headline from a national newspaper and answer the question that follows.

**ORGANIC FOOD AND DRINK**  
**Demand in UK is greater than supply**

Explain how Organicas Ltd might react to the information in the newspaper headline above.

.....

.....

.....

.....

.....[3]

(c) In early 2006 the Marketing Director of Organicas Ltd saw the following newspaper headline.

**HALF OF ALL PARENTS BUY ORGANIC FOOD AND DRINK FOR THEIR BABIES**

In response, Organicas Ltd increased the price of a jar of its baby food from 70 pence to 80 pence. As a result, sales of baby food decreased from 105,000 jars in 2006 to 100,000 jars in 2007.

(i) Complete Fig. 1 by calculating how much revenue Organicas Ltd received after increasing the price of a jar of baby food from 70 pence to 80 pence. Show your workings.

	Price	Quantity sold	Revenue received by Organicas Ltd Price x quantity sold
<b>2006</b>	70 pence	105,000	£73 500
<b>2007</b>	80 pence	100,000	

**Fig. 1**

.....

.....

.....

.....[2]

(ii) Explain whether or not Organicas Ltd made the correct decision by increasing the price of a jar of baby food. Give reasons for your answer.

.....

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.....

.....

.....[3]

- (d) Fig. 2 shows the shift in the supply curve during 2007 for jars of organic baby food sold by Organicas Ltd.



**Fig. 2**

- (i) The information below shows three events that may have caused the supply curve to shift from S to S1 as shown in Fig. 2. Indicate, with a tick, if each event was likely or unlikely to have caused the shift in the supply curve.

<b>Event</b>	<b>Likely</b> to cause a shift in the supply curve from S to S1	<b>Unlikely</b> to cause a shift in the supply curve from S to S1
An improvement in production methods at Organicas Ltd.		
A successful advertising campaign by Organicas Ltd.		
A poor harvest causing a shortage in baby food ingredients.		

[3]

- (ii) Choosing from the list below, tick **one** box which shows the most likely effect of the shift in the supply curve from S to S1 as shown in Fig. 2.

	Tick <b>one</b> box
Prices will rise	
Prices will fall	
Supply will increase	

[1]



(f) Organicas Ltd is thinking about introducing a new range of organic food which includes organic yoghurt. Organicas Ltd wishes to research the market for organic yoghurt. It could use both primary and secondary sources of data.

(i) From the list below, draw **two** lines to match **primary research** and **secondary research** with its definitions.

PRIMARY  
RESEARCH

Gathering second hand data such as government statistics. The research is not tailor-made to a firm's own products, customers or markets. This is carried out by desk research.

SECONDARY  
RESEARCH

Gathering of first hand data that is tailor-made to a firm's own products, customers or markets. This is carried out by field work.

Gathering data and organising it into alphabetical order. This will be carried out by staff at Organicas Ltd.

[2]

(ii) Explain whether Organicas Ltd is likely to find primary sources **or** secondary sources of data more useful.

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

(iii) If Organicas Ltd decided to extend its range of organic food it would need to advertise nationally to attract customers. It could advertise in the following places:

- Two local newspapers
- Internet website
- Local area by handing out leaflets
- National television

Recommend which **two** places Organicas Ltd should use. Explain the reasons for your recommendations. Your explanation should also include why you did not choose the other places.

Recommendation 1 .....

Recommendation 2 .....

Explanation for Recommendation 1

.....  
.....  
.....  
.....  
.....

Explanation for Recommendation 2

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.....  
.....  
.....  
.....[6]

**[Total mark: 31]**

2 Flighty Ltd owns six travel agent shops. It specialises in selling holidays to the USA and Canada to customers in the UK.

(a) (i) The Managing Director of Flighty Ltd communicates with each shop manager using a variety of methods. State the meaning of each communication method given below.

Video-conferencing

.....  
 .....[1]

e-mail

.....  
 .....[1]

(ii) Explain **one other way** in which the Managing Director of Flighty Ltd might use information technology in their office.

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

(b) Flighty Ltd spends a significant amount of money on marketing each year.

(i) Choosing from the list below, tick **one** box to correctly match the term **marketing** with its explanation.

	Tick <b>one</b> box
Marketing is identifying and satisfying consumer wants at a profit.	
Marketing is only about advertising on television.	
Marketing is making sure businesses follow correct legal procedures.	

[1]









