

**GCSE (FOUNDATION TIER)
BUSINESS STUDIES A**

Paper 5
Option: Business Communication and Marketing

TUESDAY 19 JUNE 2007

F 1951/5

Afternoon

Time: 1 hour

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



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Candidate
Name

Centre
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Candidate
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INSTRUCTIONS TO CANDIDATES

- Write your name, Centre number and Candidate number in the boxes above.
- Answer **all** the questions.
- Use blue or black ink. Pencil may be used for graphs and diagrams only.
- Read each question carefully and make sure you know what you have to do before starting your answer.
- Write your answers in the spaces provided on the question paper.
- The spaces should be sufficient but if you require more space use the lined pages at the end of the booklet and number your answers carefully.
- Do **not** write in the bar code.
- Do **not** write outside the box bordering each page.

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 (*).
- You may use an approved calculator.

FOR EXAMINER'S USE	
Question 1	
Question 2	
TOTAL	

This document consists of **13** printed pages, **2** lined pages and **1** blank page.

An image has been removed due to third party copyright restrictions

Details: An image of a pram

- 1 Cutie plc makes and sells a range of prams and car seats for babies. It sells directly to customers over the Internet and to stores in the UK and the rest of the European Union.

- (a) State and explain two difficulties Cutie plc may have had in developing e-commerce.

Difficulty one _____

Difficulty two _____

_____ [4]

- (b) Fig. 1 shows some examples of communication. Tick one box next to each example of communication to show whether it is an example of internal communication or external communication.

Examples of Communication	Internal Communication	External Communication
The Finance Director discussing a financial matter with the Managing Director.		
The Marketing Director telling customers about special offers on prams.		
The employees discussing ideas with the Production Director.		

Fig. 1

[3]

*(c) (i) At the end of 2006, the Finance Director provided the following financial information to show a comparison of Cutie plc with its biggest rival, Littlebaby plc.

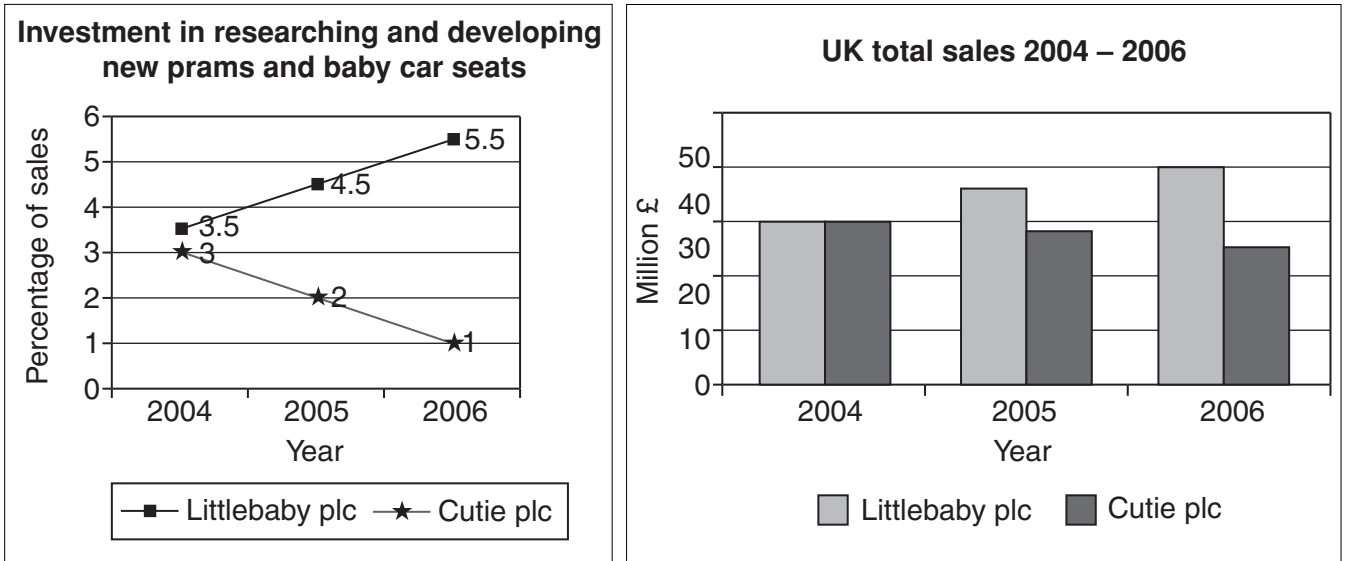


Fig. 2

Using Fig. 2, explain whether Cutie plc was right to reduce the amount it spent on research and development. Give reasons for your answer.

[6+2]

(ii) Line D, in Fig. 3 below, shows the demand curve for prams sold by Cutie plc.

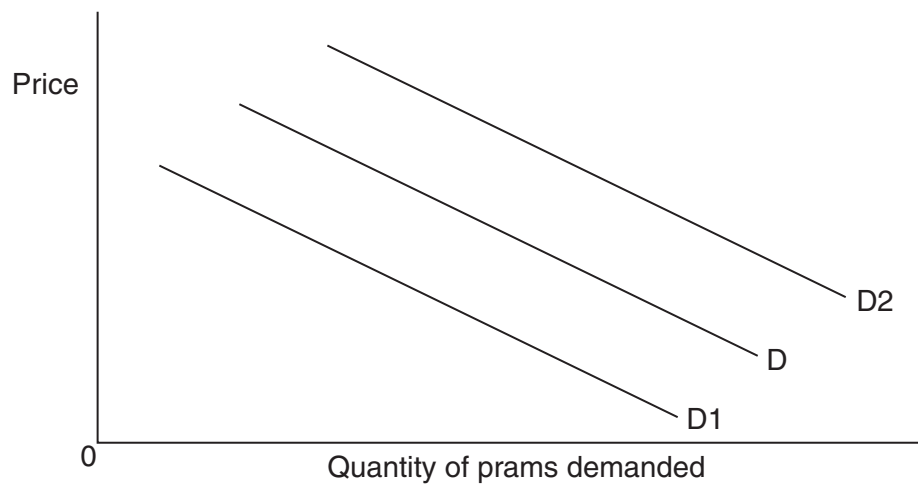


Fig. 3

If the demand for Cutie plc's prams falls, tick **one** box below that correctly describes the effect on the demand curve.

Effect on the demand curve	Tick one box
The demand curve will move from D to D1.	<input type="checkbox"/>
The demand curve will move from D to D2.	<input type="checkbox"/>

[1]

- (iii) Fig. 4 shows Cutie plc's percentage share of the UK pram market and its forecast share to 2008.

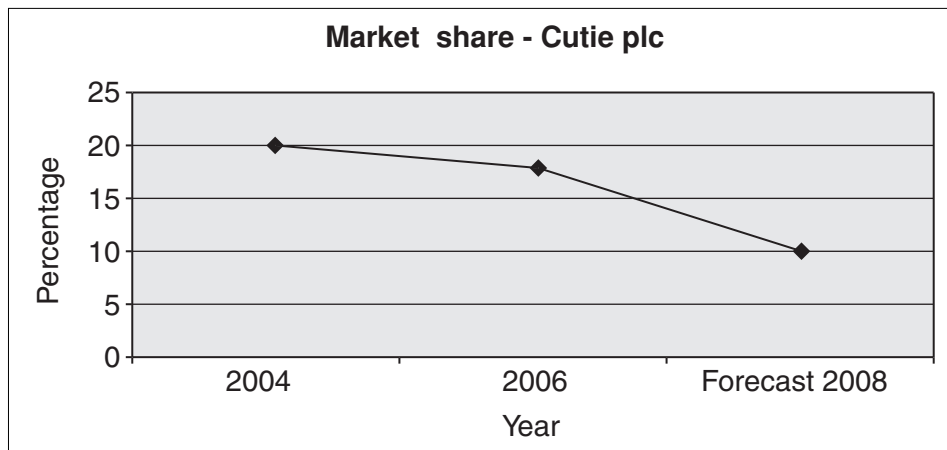


Fig. 4

Read the events below and tick **one** box to show whether each event was **likely** or **unlikely** to have caused the change in Cutie plc's market share shown in Fig. 4.

Event	<u>Likely</u> to have caused the change in Cutie plc's market share	<u>Unlikely</u> to have caused the change in Cutie plc's market share
Increased number of other businesses selling prams.		
Increased popularity of the Cutie plc brand name.		
Increased number of births.		

[3]

(d) As the sales and market share of Cutie plc are falling, the Managing Director decided to look at the business's marketing strategy.

(i) Draw a line which correctly matches the term marketing strategy with its explanation.

Bringing together research findings, then organising each of the 4Ps into a single plan for the business

Marketing Strategy

Randomly selecting people on the street and asking them questions.

[1]

(ii) Fig. 5 shows the results of Cutie plc's recent market research into the factors people consider when they buy a pram.

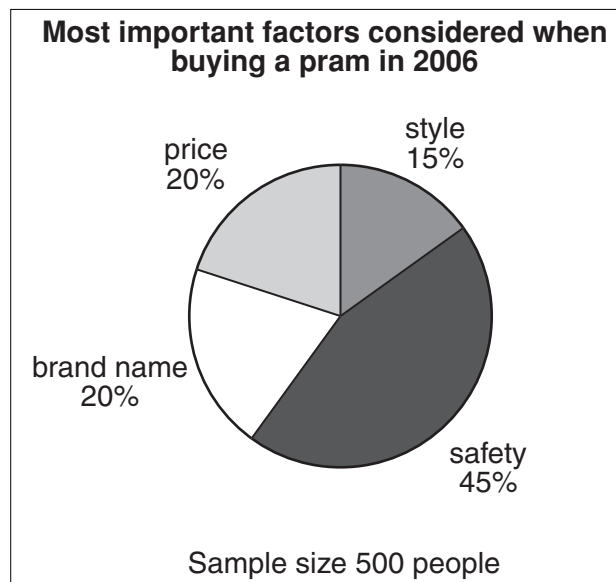


Fig. 5



2 Ryan and White is a medium sized business which makes and sells expensive wedding dresses.

(a) (i) State two methods Ryan and White might use to communicate with its customers. Explain why the methods you have chosen are appropriate for this business.

Method 1 _____

Reason _____

Method 2 _____

Reason _____

_____ [4]

(ii) The list below shows three potential barriers to communication. State why each factor may be a barrier to communication.

Attitude of sender

Language used

Method used

_____ [3]

(b) The wedding dresses Ryan and White sells are highly priced. Fig. 6 gives examples of potential groups of customers and their characteristics.

Group	Examples of occupations	Characteristics	% of population
1	Doctors, Judges, Company Directors	High salary Expensive house Two cars Three holidays a year	5
2	Factory Workers, Shopworkers	Minimum wage May own their own house Use public transport One holiday every year	25

Fig. 6

(i) Using the information in Fig. 6, explain whether Ryan and White should aim its wedding dresses at customers in group 1 or group 2. You should refer to both groups in your answer.

[5]

Ryan and White is now thinking of selling a new range of cheaper wedding dresses.

(ii) Explain **one** advantage to Ryan and White of selling expensive dresses.

[2]

(iii) Explain **one** advantage to Ryan and White of also selling cheaper dresses.

[2]

(c) The Sale and Supply of Goods Act helps to protect consumers. Part of this Act is given in Fig. 7.

<p style="text-align: center;">Sale and Supply of Goods Act</p> <p style="text-align: center;">‘Goods bought from a business must be of a satisfactory quality’.</p>

Fig. 7

Below are situations faced by two customers of Ryan and White.

- Customer 1 – On her wedding day she put on the wedding dress and both shoulder straps fell off.
- Customer 2 – She wore the wedding dress to her wedding, then wanted to take the dress back.

State which customer would be protected by the above Act and entitled to a refund of money or exchange. Give reasons for your answer.

The customer who would be protected by the law is _____

Reason _____

_____ [3]

- (d) Getting married can be very expensive. Most of Ryan and White’s customers will pay for their wedding dresses by borrowing the money. The Finance Director of Ryan and White read the following headline in a newspaper.

PEOPLE ARE LESS WILLING TO BORROW MONEY THAN THEY WERE LAST YEAR

Fig. 8

Will the headline shown in Fig. 8 have any effect on the sales of Ryan and White? Give reasons for your answer.

[4]

(e) At the moment Ryan and White only sells its wedding dresses through shops. The Finance Director of Ryan and White provided the following information on Internet sales and sales through shops for the UK as shown in Fig. 9.

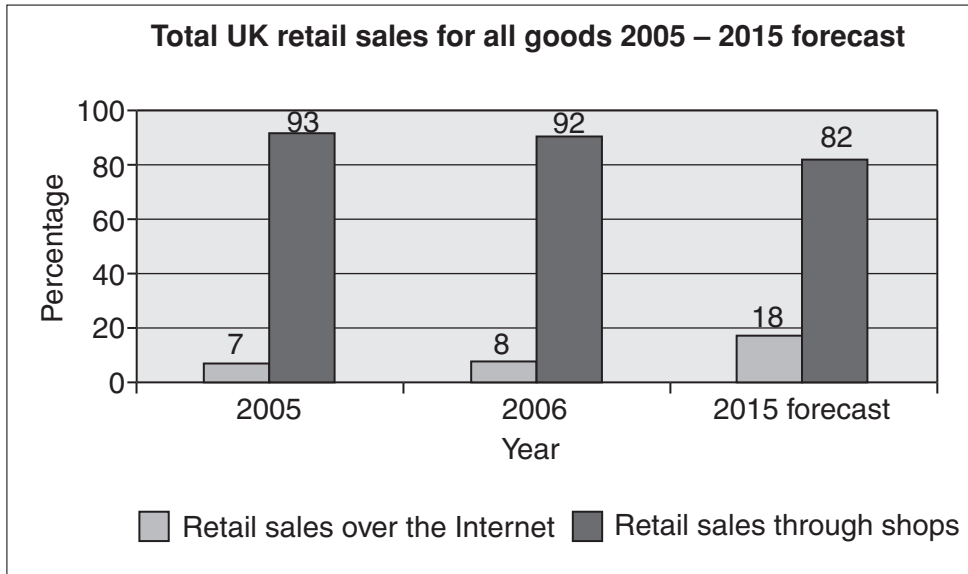


Fig. 9

Using the information in Fig. 9, recommend how Ryan and White should sell its wedding dresses in the future.

[6]

[Total mark: 29]

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