

Candidate Name

Centre Number

Candidate  
Number

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**OXFORD CAMBRIDGE AND RSA EXAMINATIONS****General Certificate of Secondary Education****BUSINESS STUDIES A****1951/8**

Case Study Paper

**HIGHER TIER**

Thursday

**19 MAY 2005**

Afternoon

1 hour 30 minutes

Additional materials:

Clean copy Case Study (1951/7 &amp; 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	
<b>TOTAL</b>	

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**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 Use the case study to answer the following questions.

(a) Businesses may be classified as **PRIMARY**, **SECONDARY** or **TERTIARY**.

How would you classify Grade Autos plc? Justify your answer.

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[3]

(b) Grade Autos plc is a public limited company.  
Autobodies Ltd is a private limited company.

(i) Explain **one** advantage to Grade Autos plc of being a public limited company rather than a private limited company.

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[2]

(ii) Explain **one** advantage to Autobodies Ltd of being a private limited company rather than a public limited company.

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[2]

(c)\* Explain the business objectives of Paul Preston, the Managing Director of Grade Autos plc.

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[6+2]

(d) Use Resource Sheet 1 to answer this question.

Is the organisational structure effective in allowing the personnel within Garage B to inter-relate with one another? Give reasons for your opinion.

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[4]

[Total mark : 19]

QWC

- 2 (a) Explain how Richard Bell, the Parts Manager of Garage A, might make use of the Internet in his work.

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[3]

- (b) Use Fig. 2 on page 3 of the case study to answer the following question.

Richard Bell has the following parts bill for last week.

<b>Special overnight delivery on Tuesday</b>	<b>£600</b>
<b>Special overnight delivery on Wednesday</b>	<b>£400</b>
<b>Weekly delivery on Friday</b>	<b><u>£8000</u></b>
	<b><u>£9000</u></b>

Could he have saved money for the business? Give reasons for your answer.

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[3]

(c)\* Use lines 83–94 of the case study and Resource Sheet 5 to answer the following question.

Should Paul Preston advise the Board of Directors to close the petrol station at Garage C? Discuss the arguments for and against closing the petrol station. Give reasons for your opinion.

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[6+2]

[Total mark : 14]

QWC

3 (a) Use Resource Sheet 5 to answer the following question.

Calculate the net profit made by the Servicing Departments of Grade Autos plc for the year ended 31 December 2004. Show your working.

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[2]

Use lines 69–82 of the case study to answer the following question.

(b) The Dealer Principal for Garage B, Annabel Jones, has realised that there are considerable difficulties in the Service Department. Identify the problems and advise Annabel on the most suitable solutions to these problems.

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[6]

(c) Use Resource Sheet 4 to answer the following question.

Paul Preston, the Managing Director of Grade Autos plc, has been studying the figures given in the Extracts from the Final Accounts.

Evaluate the strengths and weaknesses in the financial performance of the individual garages in Grade Autos plc.

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[8]

[Total mark : 16]

4 (a) Use Resource Sheet 2 to answer the following question.

Stella Pringle, the Rental Manager of Garage D, has produced a draft customer feedback form for use by all five garages.

You have been asked to study the draft before a meeting of the Rental Managers. Suggest **two** improvements to the draft form, giving a reason for each suggestion.

Improvement 1 \_\_\_\_\_

Reason \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Improvement 2 \_\_\_\_\_

Reason \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[4]



**(b)\*** The Sales Managers of the five garages are about to meet to discuss the marketing of the new range of hatchback cars (the Onyx 317).

Advise the Sales Managers on the most suitable marketing strategy for the range of cars.

You should consider the market segments to be targetted and **two** aspects of the marketing mix in your answer.

Handwriting lines for the answer.

[8+2]

QWC

(c) Grade Autos plc wishes to promote the new Onyx 317 range. It is considering the following methods of promotion:

**letters to present Onyx car owners offering attractive part-exchange deals;**

**a free subscription to a motoring magazine with each car sold;**

**vouchers for two free car washes;**

**one free car service for the car.**

(i) Which **one** of these methods of promotion is most likely to be **successful**? Give reasons for your choice.

Choice \_\_\_\_\_

Reasons \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ [3]

(ii) Which **one** of these methods of promotion is most likely to be **unsuccessful**? Give reasons for your choice.

Choice \_\_\_\_\_

Reasons \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ [3]

[Total mark : 20]

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

(a) The Board of Directors will be considering a number of proposals to ensure the long-term prospects of Grade Autos plc at their next Board meeting.

- \* **Selling Garage E**
- \* **Buying Garage B instead of renting it**
- \* **Buying Site X**

Analyse the advantages and disadvantages of each proposal.

Recommend a suitable course of action mentioning any additional information you would need to make a more informed recommendation. Give reasons for your recommendation.

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(b) If the Board of Directors of Grade Autos plc decides to purchase another garage in the next year, the company will require additional finance.

It has the following sources of finance available.

- **Retained profits**
- **Bank loan**
- **Overdraft**
- **Additional finance from existing shareholders**

Which **two** sources of finance do you consider to be the most suitable? Give reasons for your choices.

Choice \_\_\_\_\_

Reasons \_\_\_\_\_

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\_\_\_\_\_  
\_\_\_\_\_

Choice \_\_\_\_\_

Reasons \_\_\_\_\_

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[6]

[Total mark : 21]





