

GCSE (HIGHER TIER) BUSINESS STUDIES A

Paper 6

Option: Business Communication and Marketing

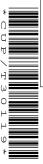
TUESDAY 19 JUNE 2007



Afternoon



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



Candidate		
Name		

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Candidate Number

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 EXAM	INER'S USE
Question 1	
Question 2	
TOTAL	

This document consists of 10 printed pages and 2 lined pages.

SP (SLM/CGW) T30119/3

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Details: An image of a pram

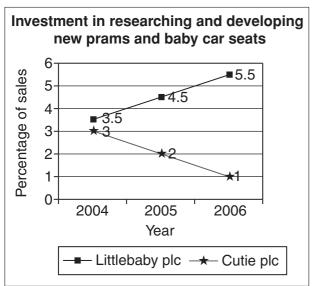
1 Cutie plc makes and sells a range of prams and car seats for babies. It sells directly to customers over the Internet and to stores in the UK and the rest of the European Union.

(a)	State and explain two difficulties Cutie plc may have had in developing e-commerce	e.
	Difficulty one	
	Difficulty two	
(b)	Fig. 1 shows some examples of communication. Tick communication to show whether it is an example of 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

* (c) 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.



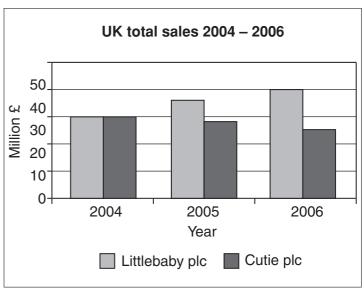
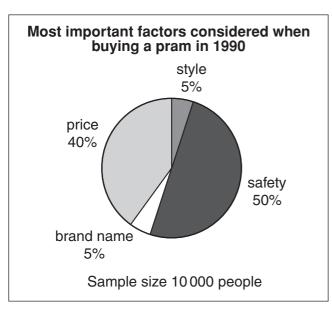


Fig. 2

Using Fig. 2, explain whether Cutie pic was righ and development. Give reasons for your answer.	
	[6+2]

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(d) Fig. 3 shows the results of Cutie plc's recent research into the factors people consider when buying a pram, as compared to the research carried out in 1990.



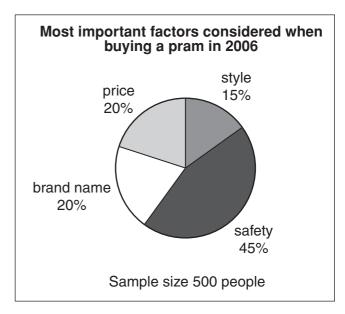


Fig. 3

With reference to Fig. 3, advise Cutibusiness. Give reasons for your answer	ie plc on er.	possible	future	marketing	strategies	for the

(e) Fig. 4 shows the supply and demand curves for prams sold by Cutie plc.

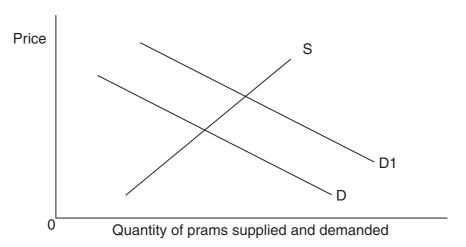


Fig. 4

The information below shows three events that may have caused the demand curve to shift from D to D1 as shown in Fig. 4. Indicate, with a tick, if each event was **likely** or **unlikely** to have caused the shift in the demand curve.

Event	Likely to cause a shift in the demand curve from D to D1	Unlikely to cause a shift in the demand curve from D to D1				
A decrease in consumer income.						
An increase in competitors' prices.						
An increase in competitors' advertising.						

[3]

[2]

(f) Cutie plc advertises its prams in women's magazines. The Advertising Standards Authority code states that advertisements must be legal, decent, honest and truthful.

Explain Standar	-		Cutie	plc	might	be	affected	if	it	did	not	follow	the	Advertising

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(g) Read the headline below from a national newspaper and answer the question that follows.

Internet identity theft forecast to increase from £1 billion in 2004 to £3.5 billion in 2008!

Fig. 5

(i)	Explain one possible effect on Cutie plc of the headline shown in Fig. 5.
	[3
(ii)	Suggest one possible action which Cutie plc could take in response to the increase in Internet identity theft.
	[1

[Total mark: 32]

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Details: An image of a woman wearing a wedding dress

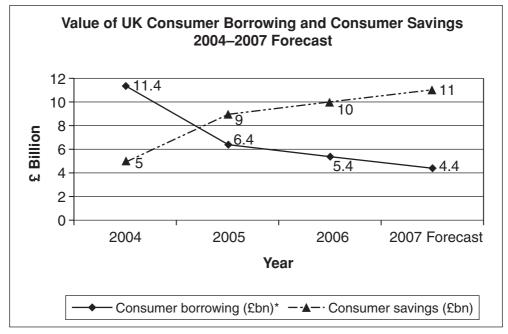
2 Ryan and White is a medium sized business which makes and sells expensive wedding dresses.

	w shows three potential barriers to communication. State why errier to communication.	
may be a bar	w shows three potential barriers to communication. State why errier to communication. ender	

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(b)	Ryan and White operates in a niche market.					
	(i)	What is a niche market ?				
		[1]				
	(ii)	Using elasticity theory in your answer, explain why Ryan and White can sell its wedding dresses at high prices.				
		[3]				
(c)	At the moment, Ryan and White buys the material to make its wedding dresses from suppliers in the UK. It is thinking about buying the material from India due to cost considerations. Recommend to the management whether buying materials from India is a good idea. Your answer should refer to both factors shown below and any other information you think is					
	•	vant. Profitability Possible ethical considerations				
		[5]				

(d) Getting married can be very expensive. Often couples will pay for their wedding by borrowing the money. The Finance Director of Ryan and White provided the information shown in Fig. 6 below. This indicates the willingness of people in the UK to borrow and save money.



^{*}The information refers to all borrowing on credit cards, store cards, loans and overdrafts.

Fig. 6

scuss now the information in Fig. 6 may affect the profitability of Hyari and White.		
		

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(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. 7.



Fig. 7

Using the information in Fig dresses in the future.	g. /, recommend	now Ryan	and white	snould sell	its wedding
					[6]

[Total mark: 28]

clearly shown.				
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