

GCSE (HIGHER TIER) BUSINESS STUDIES A

Case Study - Paper 8

FRIDAY 25 MAY 2007



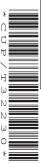
Afternoon

Time: 1 hour 30 minutes



Candidate

Number



Candidate Name

Centre

Number

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

INICTOLI	CTIONIC TO	CANDIDATES

- Write your name, Centre Number and Candidate Number in the boxes above.
- Answer all questions.
- Write your answers, in blue or black ink, 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.
- 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 90.
- The quality of your written communication will be taken into account when marking your answers to questions labelled with an asterisk (*).
- You may use an approved calculator.

FOR EXAM	NER'S USE
1	
2	
3	
4	
5	
TOTAL	

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Answer all questions.

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

1	(a)	Businesses may be classified as primary , secondary or tertiary .
		Explain why Diva plc might be classified as both a secondary business and a tertiary business.
		[3]
	(b)	State and explain two problems Diva plc might have as a result of being a public limited company.
		Problem 1
		Problem 2
		[4]

(c)	'The shoes and boots are made in batches' (line 24).
	Is this the best method of production for making shoes and boots? Give reasons for your answer.
	<u></u>
	[4]
(d)	State three ways in which Diva plc adds value to the materials it buys from suppliers when making shoes and boots.
	1
	2

(e)	The main aim that Purchasing Manager, Terry Blake, has when buying supplies is to obtain value for money. Should he change this policy? Give reasons for your answer.		
	[6]		

[Total mark: 20]

	How important is it for Diva plc to have good relations with the local community? Give reasor for your answer.
	[6+/
	-
	-
(b)	Mark Staples' planned changes to working practices in the factory are likely to meet with
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(c) Absenteeism is a problem at Diva plc's factory (lines 48–49).

(i)

(ii)

State two possible reasons for this absenteeism.
1
2[2]
Beatrice Rahman, the Human Resources Manager is considering the following solutions to the problem of absenteeism:
monitoring absenteeism and introducing disciplinary procedures
introducing flexible working hours
entry into a prize draw for staff with 100% attendance each month
Which solution would you recommend Beatrice to use to solve the problem of absenteeism? Give reasons for your recommendation.
Choice
Reasons
[4]

[Total mark: 17]

	(i)	Calculate the percentage increase in total sales revenue between the year ended 31 December
	(1)	2004 and the year ended 31 December 2006. Show your working.
		[2]
	(ii)	Calculate the total value of Diva plc's exports in 2006. Show your working.
		[2]
((iii)	The percentage of Diva plc's footwear sold on the Internet has increased over the last three years. Do you expect this trend to continue? Give reasons for your answer.
		[4]

(b) The following headline appeared in a newspaper (lines 60–61).

UK MANUFACTURERS SQUEEZED BY INCREASED IMPORTS FROM ABROAD

your opinion.
Use Resource Sheet 3 to answer the following question.
The most recent promotion shown in Resource Sheet 3 has been a failure and produced velittle response.
Analyse two possible reasons for the failure of the 'Count the Shoes' competition.
1
2

(d)* As stated in Fig. 3, one of Diva plc's main market segments is:

'Middle-aged women who want comfort and quality'.

Devise a suitable marketing strategy to increase sales to this market segment. You should only consider the product and promotion aspects of the marketing mix in your answer.		
[6+2]		
QWC		
[Total mark: 23]		

*4	(a)	Use Resource Sheet 4 (a) and (b) and the case study to answer the following question.					
		The Board of Directors of Diva plc has to decide on a site for the factory shop.					
		Analyse the advantages and the disadvantages of each of the three sites.					
		Which site would be most suitable for the factory shop? Give reasons for your answer.					
		·					
		,					
		·					
		[10+2]					
		QWC					

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

Analyse the Cash Flow Forecast and notes to assess whether or not the opening of the factory shop would be a financial success for Diva plc.
[6]
_ [~]

[Total mark: 18]

Use the information in the case study and all the Resourquestion.	rce Sheets to answer the following
The Board of Directors is looking at proposals to make surfuture.	re that Diva plc is successful in the
Discuss the arguments for and against each of the three propoptions that the Board of Directors might consider.	oosals (lines 104–106) and any other
Recommend a suitable course of action to the Board of Dir successful in the future. Give reasons for your recommendation	
	[12]

[Total mark: 12]

5

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