

Candidate Name

Centre Number

Candidate  
Number

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**OXFORD CAMBRIDGE AND RSA EXAMINATIONS****General Certificate of Secondary Education****BUSINESS STUDIES B (1952)****2321/1****BUSINESS ORGANISATION****FOUNDATION TIER**

Tuesday

**20 JUNE 2006**

Afternoon

1 hour 15 minutes

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

**TIME** 1 hour 15 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.

**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 60.

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 EXAMINER'S USE	
Question 1	
Question 2	
Question 3	
Question 4	
<b>TOTAL</b>	

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**This question paper consists of 8 printed pages and 4 lined pages.**

1 FMC Engineering Ltd is a medium sized company in the secondary sector.

- (a) What is meant by the secondary sector?  
In Fig. 1 below, put a tick in the correct box.

The secondary sector:	Put a tick in the correct box
provides services to people;	
extracts raw materials;	
manufactures goods.	

Fig. 1

[1]

- (b) Jane King is the Sales Manager of FMC Engineering Ltd. She wishes to satisfy the needs and wants of her customers.

Fig. 2 below has three statements about needs and wants.

Statement number	Needs and wants are:
1	the basic essentials that people require;
2	the cost of buying one good in terms of another good;
3	those goods that people would like to have.

Fig. 2

- (i) Which statement in Fig. 2 describes **needs**?

Statement number .....

[1]

- (ii) Which statement in Fig. 2 describes **wants**?

Statement number .....

[1]

- (iii) Explain why firms produce goods that customers demand.

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

(c) FMC Engineering Ltd uses Computer Aided Design (CAD) and Computer Aided Manufacturing (CAM) in its work.

Explain **two** advantages to a business of using CAD and/or CAM.

1. ....  
 .....  
 .....  
 2. ....  
 .....  
 ..... [4]

(d) FMC Engineering Ltd uses the division of labour when producing its goods.

(i) Complete the following sentence using **two** of the words listed below.

**break even      efficient      segment      specialise**

Division of labour is where work is organised so that workers can

..... and become more ..... [2]

(ii) Choose a business you have studied.

Name of business .....

Recommend whether the division of labour would be suitable for your chosen business. Give reasons for your answer.

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 ..... [6]

[Total: 17]

**[Turn over**

- 2 David Barber is the Human Resources Manager of Oakenbow Hotels plc. He wants to recruit a new restaurant manager.

David has prepared the following advertisement for this position.

**Oakenbow Hotels plc**  
**Seeks**  
**Restaurant Manager**

This small, but forward-looking, hotel company is looking for a dynamic and adventurous restaurant manager. Experience is essential. All employees are given regular training opportunities.

Apply to David Barber, HR Manager, for an application form, job description and person specification.

Oakenbow Hotels plc, Caton Lane, Hornly, NZ4 2EF.

Davidbarber@oakenbow.com. 01524 45665. www.oakenbow.com

**Fig. 3**

- (a) In Fig. 4 below, draw **three** lines to match the terms from the advertisement with their descriptions.

<b>Term</b>	<b>Description</b>
Application form	This sets out what is involved in the work.
Job description	This is used by the business to find out information about the person interested in the job.
Person specification	This sets out the qualifications and personal attributes that the post requires.

**Fig. 4**

[3]

- (b) Explain **two** reasons why a business, such as Oakenbow Hotels plc, might offer all employees regular training opportunities.

1. ....  
 .....  
 .....

2. ....  
 .....  
 .....

[4]

(c) Discuss how effective the advertisement in Fig. 3 would be in attracting suitable people to apply for the job of Restaurant Manager at Oakenbow Hotels plc.

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(d)\* David has decided to select the Restaurant Manager by using application forms, references and interviews.

Choose a business you have studied.

Name of business .....

Discuss whether these methods would be suitable for your chosen business when recruiting new staff.

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[Total: 20]

QWC

3 Shuo Sang is an electrician. He is a sole trader.

(a) In Fig. 5 below, put a tick against the **two** statements that are advantages of a sole trader.

Statement	Put a tick against the <b>two</b> correct statements
Can easily raise more capital	
Does not have to share profits	
Has total control over business decisions	
Has limited liability	

Fig. 5

[2]

(b) Shuo Sang is worried that he could make a loss in the current financial year. Fig. 6 shows the budget he has drawn up for the next six months.

Shuo's Six Month Budget	
<b>Income</b>	<b>£</b>
Revenue from sales	52000
Interest from bank deposits	<u>500</u>
Total Income	
<b>Expenditure</b>	
Cost of supplies	11000
Salary and wages	34000
Other costs	<u>6000</u>
Total Expenditure	51000

Fig. 6

(i) What is the purpose of a budget?

.....

.....

.....[2]

(ii) Using Fig. 6, calculate the value of Shuo's Total Income. Show your working.

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

(iii) Using Fig. 6 and your answer to part (ii), explain whether Shuo should still be worried about making a loss.

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

(c) Shuo runs his business from home. During the day, he is usually out fixing electrical problems in other people's houses. Contact between Shuo and potential customers is very important for his business.

Advise Shuo whether he should rely **only** on using a mobile phone to run his business.

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[Total: 14]





If you use the following lined pages to complete the answer to any question, the question number **must** be clearly shown.

[This section contains 28 horizontal dotted lines for writing an answer.]

A series of 30 horizontal dotted lines for writing.



Dotted lines for writing.

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