

GCSE (FOUNDATION TIER)

BUSINESS STUDIES B

Business Organisation

Paper 1

WEDNESDAY 17 JANUARY 2007

F 2321/1

Morning

Time: 1 hour 15 minutes

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



Candidate
Name

Centre
Number

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Candidate
Number

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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.
- 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.
- Do **not** write in the bar code.
- Do **not** write outside the box bordering each page.

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 answer to the question labelled with an asterisk (*).
- You may use an approved calculator.

FOR EXAMINER'S USE	
Question 1	
Question 2	
Question 3	
Question 4	
Total	

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

1 Border Arts Ltd is a small company.

(a) Explain **one** advantage of a private limited company.

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

(b) Patrick Dias is the Marketing Manager. He has collected questionnaires from the customers of Border Arts Ltd giving their views on its products and services.

(i) In Fig. 1 below, put a tick against the **two** statements that **best** describe the advantages of using questionnaires.

Statement	Tick if an advantage of questionnaires
Information gathered is easily analysed	
Good for finding out people's in-depth opinions	
Only a few people can be included in the survey	
People can be asked to expand on their answers	

Fig. 1 [2]

(ii) Patrick has presented the data from the questionnaires in a table. State **one** other method of data presentation he could have used. Explain why this method would be better than a table.

Method

Explanation

.....
.....
.....
.....
.....
.....
..... [5]

(c) The information collected from the questionnaires shows that Border Arts Ltd is satisfying customer needs.

(i) State why it is important for Border Arts Ltd to satisfy customer needs.

.....
 [1]

(ii) Suggest **one** way in which a business might satisfy its customers' needs.

.....
 [1]

(d) Patrick finds that Border Arts Ltd is serving a number of different market segments.

(i) In Fig. 2 below, put a tick against the statement that describes market segmentation.

Statement	Tick if it describes market segmentation
Division of the market using the product life cycle	
Division of the market using the marketing mix	
Division of the market by types of customer	

Fig. 2 [1]

Many businesses use market segmentation.

Choose a business you have studied which might be able to segment its market.

Name of business

(ii) State **one** method, **other than age**, by which your chosen business could segment its market.

..... [1]

2 Pax plc is a large international company providing a new mobile phone network. It operates in the private sector.

(a) Explain what is meant by the private sector.

.....

 [2]

(b) Shaharah Maddison is the Finance Director of Pax plc. Fig. 3 below shows the revenue and cost figures for the new mobile phone network.

Revenue and cost figures of the new network in £ million					
Customers '000	100	200	300	400	500
Total Revenue £m	20	40	60	80	100
Fixed Costs £m	20	20	20	20	20
Variable Costs £m	20	30	40	50	100

Fig. 3

(i) Calculate the break even number of customers for the new mobile phone network. Show your working.

.....

 [3]

(ii) Explain **one** reason why Pax plc wants to make a profit.

.....

 [2]

(iii) Given the cost and revenue amounts in Fig. 3, explain why Shaharah might decide that 400 000 would be the best number of customers.

.....

 [2]

3 Sabrina Howard is an artist. She paints pictures of customers' pet animals.

(a) In Fig. 4 below, put a tick against the sector of business in which Sabrina operates.

Business sector	Put a tick against the correct answer
Primary	
Secondary	
Tertiary	

Fig. 4

[1]

(b) Sabrina uses job production. Explain why this is a suitable method for painting the pictures.

.....

.....

..... [2]

(c) Sabrina has built up her business based on a quality product and quality assurance.

(i) Explain why Sabrina has made quality an important part of her business.

.....

.....

..... [2]

(ii) Explain **one** way in which Sabrina could ensure a quality product.

.....

.....

..... [2]

4 Fela Bastos is the Human Resources Manager of RJT plc, which manufactures lawnmowers. He tries hard to make sure that the employees stay with the company.

(a) (i) State **one** reason why people work.

..... [1]

(ii) Explain whether this reason would make **you** want to work.

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

(b) Fela hopes that improving the facilities at RJT plc's sports and social club will motivate the employees.

(i) Give **one** other **non-financial** method Fela could use to motivate the workers.

..... [1]

(ii) Recommend whether financial or non-financial methods are the better way for RJT plc to motivate its employees. Give reasons for your answer.

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..... [6]

[Total: 10]

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

A series of horizontal dotted lines providing space for writing answers.

A series of horizontal dotted lines across the page, serving as a writing guide.

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