

**GCSE (FOUNDATION TIER)**  
**BUSINESS STUDIES B (1952)**  
Business in its Environment  
**FRIDAY 25 MAY 2007**

**F** **2323/1**

Afternoon  
Time: 1 hour 15 minutes

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



\* OCR / T 3 2 2 7 6 \*

Candidate  
Name

Centre  
Number

--	--	--	--	--

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.
- 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	
<b>Total</b>	

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

## Question 1

Dart Air Ltd (DAL) is a 'low cost' or 'budget' airline that flies passengers to other countries in Europe. The company operates out of airports in the north of England, which are all owned by local councils.

**A map has been removed due to third party copyright restrictions**

Details: A map of Europe with arrows coming from the north of England going to several European countries

(a) DAL is a private enterprise and the airports are public enterprises.

Below are some features of enterprises. Which are likely to be features of private enterprises and which are likely to be features of public enterprises? Tick the appropriate boxes in Fig. 1 to give your answers. The first one has been done for you.

Feature	Private (✓)	Public (✓)
<i>In business to make profits</i>	✓	
Owned by the state		
Pays dividends to investors		
Reports to shareholders at the Annual General Meeting		
Sole traders have unlimited liability		

[4]

Fig. 1

(b) There are advantages and disadvantages to DAL of operating from **council-owned** airports.

(i) Explain why operating from council-owned airports may produce lower costs for DAL.

.....

.....

..... [2]

(ii) Explain why council-owned airports may have out-of-date buildings and facilities.

.....

.....

..... [2]

- (c) DAL is worried because unemployment in the north of England is expected to rise during the next two years.

Fig. 2 below shows some effects of higher unemployment. Tick the **two** boxes that show why DAL is worried.

Effects	Tick (✓)
Taxation revenue will fall	
Consumers will spend less	
New car sales will fall	
Fewer holidays will be taken abroad	

**Fig. 2** [2]

- (d) The local council that owns one of the airports used by DAL has **not** been allowed to build a new longer runway because of concerns for the environment.

- (i) State **two** possible examples of environmental damage caused by building a new longer runway.

Example 1 .....

Example 2 ..... [2]

- (ii) The state has a responsibility to protect the environment.

Apart from not allowing the building of a new runway, explain **two other** methods by which the state could try to reduce the damage to the environment caused by airlines such as DAL.

Method 1 .....

.....

.....

Method 2 .....

.....

..... [4]



- (f) The trade union that represents the check-in staff is worried that some workers will be made redundant if a new computer system is introduced. The union has stated that it is considering industrial action.

State and explain **one** method by which a conflict between DAL and its workers might be avoided.

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

- (g) The law offers protection to workers in the event of redundancies.

State whether each of the following is **true** or **false**.

- (i) Employers must give warnings of possible redundancies to workers.  
True/False..... [1]
- (ii) Redundant workers are **not** entitled to compensation.  
True/False..... [1]
- (iii) Workers cannot claim unfair dismissal if they are made redundant.  
True/False..... [1]

Total mark: 32









- (e) Last month John decided to try to sell more sweets to young children. He advertised near local schools and lowered sweet prices. Since then John has received ten complaints from parents that he is acting unethically.

Identify **two** reasons why John's decision to sell more sweets to young children is considered to be unethical.

- 1 .....
- 2 ..... [2]

- (f) While John is worried about his business, he was pleased that the government decreased some taxes in the last Budget.

Name **two** UK taxes.

- 1 .....
- 2 ..... [2]

Total mark: 28



