

■ 2321/01

GENERAL CERTIFICATE OF SECONDARY EDUCATION BUSINESS STUDIES B

Business Organisation (Foundation Tier)

MONDAY 16 JUNE 2008

Afternoon

Time: 1 hour 15 minutes

Candidates answer on the question paper **Additional materials (enclosed):** None

Additional materials (required):

Calculators may be used



Candidate Forename					Candidate Surname					
Centre Number							Candidate Number			

INSTRUCTIONS TO CANDIDATES

- Write your name in capital letters, your Centre Number and Candidate Number in the boxes above.
- Use blue or black ink. Pencil may be used for graphs and diagrams only.
- Read each question carefully and make sure that you know what you have to do before starting your answer.
- Answer all the questions.
- Do **not** write in the bar codes.
- Write your answer to each question in the space provided.
- The spaces should be sufficient for your answers but if you require more space use the lined page at the end of the booklet and number your answers carefully.

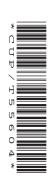
INFORMATION FOR CANDIDATES

- 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 answers to questions labelled with an asterisk (*).

FOR EXAMINER'S USE				
1				
2				
3				
4				
TOTAL				

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- Goudge Animal Services is a successful partnership between two vets. The two partners are Andrew and Angela.
 - (a) In Fig. 1 below, tick the box that states an advantage of the partnership.

Advantage of the partnership	Tick if it is an advantage
The partners are able to pay dividends to shareholders	
The partners are not liable for the debts of the business	
The partners may have different areas of expertise	

[1]

		Fig. 1
(b)	And	rew and Angela are looking at ways to measure the success of their business.
	(i)	State two ways in which a business might measure its success.
		1
		2[2]
	(ii)	Choose one of the ways given in b(i) . Explain whether it would be a useful measure for Goudge Animal Services.
		Measure of success
		Explanation
		[2]
(c)		rew has recently prepared the business accounts. He is concerned by the rise in the s of paying for the buildings.
	(i)	State whether the costs of paying for the buildings are fixed or variable costs.
		[1]
	(ii)	Explain to Andrew one possible solution to the rise in the costs of paying for the buildings.
		[2]

(d) Angela has recently done the monthly stock take for animal medicines, shown in Fig. 2 below.

Type of stock	Maximum stock level	Level of stock, in units, at the end of each month.				
		Month 1	Month 2	Month 3		
Vaccinations	30	25	48	12		
Pills	120	125	110	84		
Other medicines	100	100	92	94		
Total	250	250	250	190		

Fig. 2

(i)	Calculate the number of units of vaccinations that Angela needs to order at the end of Month 3 in order to meet the maximum stock level.
	[2]
(ii)	Angela uses a Just in Case stock control method. She is thinking of changing to a Just in
	Time method. Advise Angela which stock control method she should use for the animal medicines.
	[5]

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(e)	Andrew and Angela would like to expand Goudge Animal Services. Recommend to Andrew and Angela the best way to expand their business.
	[6]

[Total: 21]

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TURN OVER FOR QUESTION 2.

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2	Margaret	Richter i	s the nev	Director	of Lakes	Arts, a	n educational	charity.

(a)	Charities	differ	from	other	business	organisations.	Complete	the	sentence	that	follows	by
	correctly	using t	two o	f the w	ords or pl	hrases below.						

	n	on-profit	profit and loss	objectives	shareholders' aims	
A cl	narity	differs from	other business organi	sations because it	is a	. making
orga	anisa	tion. Any surp	olus it makes must be u	used to further its		[2]
(b)			_		al schools. Margaret is co o the artists by Lakes Art	
	(i)	Explain what	t is meant by induction	training.		
						[2]
	(ii)	Explain one	reason why Lakes Arts	s should provide ind	uction training to the artis	its.
						[2]
(c)	teac Exp	her, she coul	d train the artists herse	elf.	for the artists. As an expo	
	Adv	antage				
		•••••				
	Disa	ndvantage				
						[4]

*(d)	Lakes Arts uses a variety of methods to make sure it selects the right artists to work in schools.
	Choose a business you have studied.
	Discuss the best method of selecting workers for the business you have chosen.
	Name of business
	[6+2]
	[Total: 18]

- 3 Melody Chan is the Sales Manager of Parker Packaging plc.
 - (a) In Fig. 3 below, tick the two boxes that describe features of public limited companies (plc).

Features of public limited companies	Tick if it is a feature
Large amounts of finance are fairly easy to raise	
Managers are always directors	
Ownership and control are often separate	
Shareholders always receive a dividend	

(c) Melody is looking at how Parker Packaging plc could increase its sales.

Choose a business you have studied.
Discuss whether your chosen business would benefit most by: EITHER spending more on promotion OR by improving the quality of its goods or services.
Name of business
[6

[Total: 12]

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	nes Williamson is the Managing Director of Lonsdale Furniture Ltd. The business has recently ted to make and sell a new range of kitchen furniture.
(a)	Lonsdale Furniture Ltd uses job production.
	What is meant by job production?
	[1]
(b)	James has used a break-even chart to show that the business needs to increase output and sales so that the new range does not make a loss.
	Complete the following sentence to define the break-even point.
	The break-even point is where the total of a business equals its
	total[2]
(c)	James intends to break-even this year. He has decided not to increase production but he has identified two other possible solutions to the problem of breaking-even. Increase the selling price of kitchen furniture. Reduce the costs of producing the kitchen furniture. Recommend to James which of these possible solutions would be best in order to break-even. Justify your answer.
	[6]
	[Total: 9]

be clearly shown.		



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