



OXFORD CAMBRIDGE AND RSA EXAMINATIONS General Certificate of Secondary Education

BUSINESS STUDIES B (1952)

2321/2

BUSINESS ORGANISATION HIGHER TIER

Tuesday **21 JUNE 2005**

Afternoon

1 hour 15 minutes

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

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 in marking your answer to the question marked with an asterisk (*).

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

Question 1

M J Bushnell Ltd is a leading soft drinks manufacturer. It operates in the private sector.		
(a)	Wha	at is meant by the private sector?
		[1]
(b)		k Bushnell, Managing Director, has recently appointed Joanna Jones as Marketing ager.
	(i)	State and explain one task that Joanna might carry out in her role as manager of the marketing department.
		[2]
	(ii)	An organisation chart shows the relationship between the Managing Director and all the staff.
		Explain the relationship between the Managing Director and the Marketing Manager in a typical business.
		[2]
((iii)	Mark and Joanna have offices next to each other.
		Explain how they could communicate effectively with each other.
		[4]

(c)		rk has asked Joanna to look at the pricing policy used by M J Bushnell Ltd and to ommend which pricing method it should use for its soft drinks.	Use
	(i)	Explain two suitable methods of setting prices for M J Bushnell's soft drinks.	
		1. Method	
		Explanation	
		2. Method	
		Explanation	
		[4]	
;	*(ii)	Recommend which of these methods M J Bushnell Ltd should use. Give reasons for your recommendation.	
		Recommendation	
		Reasons	
			QWC
		[5+2]	

[Total : 20]

2

	Newsound plc is a new small company producing sound systems including amplifiers and speakers. It has hired Sara Quinlan, a business consultant, for advice.				
(a)	Ехр	lain two business objectives Sara might identify as being relevant for Newsound plc.			
	1				
	2				
		[4]			
(b)		a has suggested that Newsound plc should adopt a Just in Time [JIT] method of ck control.			
	(i)	Explain what is meant by a Just in Time method of stock control.			
		[2]			
	(ii)	Explain how a Just in Time method of stock control could help improve the cash flow of a business such as Newsound plc.			
		[2]			
(c)		vsound plc uses batch production methods to produce its sound systems.			
	·	lain two advantages to Newsound plc of using batch production.			
	1				
	••••				
	2				
		[4]			

(d)	Businesses use both on-the-job and off-the-job training for their workers.
	Choose a business you have studied.
	Name of business
	Discuss whether on-the-job or off-the-job training is the most suitable method of training its workers.
	[6]
	[Total : 18]

2321/2 S05 **[Turn over**

3 Richard Taylor is the Treasurer of the AEBE, an educational charity. He has drawn up its budget for the coming financial year. This is shown in Fig. 1.

Budget for September 2005 to August 20	06
Income Membership subscriptions Sales of, and advertising in, the AEBE magazine Income from conferences Other income	£ 20 000 25 000 5 000
TOTAL INCOME	130 000
Expenditure Cost of running the office and staff salaries Cost of providing services to members Production costs of the AEBE magazine Other costs TOTAL EXPENDITURE	£ 60 000 30 000 30 000 10 000 130 000
Surplus/deficit	

Fig. 1

(a)	•	lain one reason why organisations draw up a budget each year.
		[2]
(b)	(i)	Using Fig. 1, calculate the value of membership subscriptions. Show your working.
		[1]
	(ii)	Explain why the value of the surplus/deficit might be appropriate for a charity.
		[2]

(c)	Richard has been told that expenditure on 'services to members' needs to be increased to £40 000.	
	Discuss whether he should increase income or decrease other items of expenditure in order to pay for this extra expenditure.	
	[6]	

[Total : 11]

intr		
(a)	(i)	What is meant by Total Quality Management?
		[1
	(ii)	Explain how Richardson's Biscuits Ltd could use quality circles as part of its TQN system.
		[2
(b)		sinesses use a number of methods, including TQM, to improve the motivation of the kforce.
	Cho	pose a business you have studied.
	Nar	ne of business
	Oth	
	Oth	er than TQM, discuss how your chosen business might try to improve the motivations workforce.
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[Total : 11]

must be clearly shown.	

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