

Candidate Name

Centre Number

Candidate
Number

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**OXFORD CAMBRIDGE AND RSA EXAMINATIONS****General Certificate of Secondary Education****BUSINESS STUDIES B (1952)****2323/2****BUSINESS IN ITS ENVIRONMENT****HIGHER TIER**

Friday

26 MAY 2006

Afternoon

1 hour 15 minutes

Additional materials:

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 labelled with an asterisk (*).

FOR EXAMINER'S USE	
Question 1	
Question 2	
TOTAL	

This question paper consists of 9 printed pages and 3 lined pages.

Question 1

Xanadu Boats Ltd (XBL) builds luxury speedboats in a competitive global market.

(a) Explain what is meant by a market.

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.....[2]

(b) The Finance Manager of XBL is worried that the government might change the rate of income tax in its Budget.

(i) Explain how an increased rate of income tax could affect XBL.

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.....[5]

(ii) Explain **one** economic reason why the government has the objective of a steady rate of economic growth.

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.....[2]

(iii) Explain **one** benefit to XBL of a stable exchange rate.

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.....[2]

- (d) Last month XBL dismissed an employee. However, the employee thinks that she was unfairly dismissed.

Below are some reasons for dismissing an employee. Which are likely to be fair and which are likely to be unfair? Tick the appropriate boxes in Fig. 1 below to give your answers. The first one has been done for you.

Reason for dismissal	Fair (✓)	Unfair (✓)
<i>Raising a health and safety concern with the management</i>		✓
Being a member of a trade union		
Being incapable of doing the job		
Stealing company property		
Taking maternity leave		

[4]

Fig. 1

(b) Explain **one** threat and **one** opportunity to UK businesses of the UK being a member of the EU.

Threat

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Opportunity

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.....[4]

The caravan park sales office is only open for bookings on week-day mornings between April and October. The owners of TCP are considering whether or not to introduce e-commerce in order to increase bookings.

(c) Explain what is meant by e-commerce.

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.....[2]

(f) The owners of TCP have met with a pressure group. This group has the objective of making the caravan park more environmentally friendly.

(i) State and explain **one** social benefit of TCP becoming a more environmentally friendly caravan park.

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.....[3]

(ii) Identify a pressure group that you have studied. Explain **one** of its objectives.

Name of pressure group

Objective

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.....[3]

