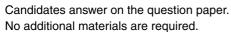


# GCSE (HIGHER TIER) **BUSINESS STUDIES B (1952)**

Business in its Environment

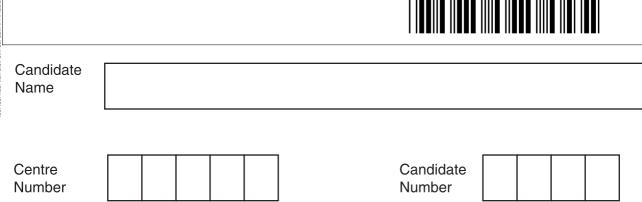
**FRIDAY 25 MAY 2007** 





Time: 1 hour 15 minutes





#### **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 it 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		
Total		

This document consists of 9 printed pages and 3 lined pages	This	documen	consists	of <b>9</b>	printed	pages	and 3	lined	pag
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## 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.	
	(i)	Explain the term private enterprise.	
		[	2]
	(ii)	Explain the term public enterprise.	
		[	2]
(b)	The	re are advantages and disadvantages to DAL of operating from council-owned airports	3.
	(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)		. is worried because unemployment in the north of England is expected to rise during the two years.	ıe
	-	lain <b>one</b> reason why DAL would be worried about rising unemployment in the north land.	of
		[	2]

(d)		local council that owns one of the airports used by DAL has <b>not</b> been allowed to build a longer runway.
	(i)	Explain <b>one</b> possible reason why the local council was not allowed to build the new longer runway.
		[2]
	(ii)	The state has a responsibility to protect the environment.
		Apart from not allowing the building of a new runway, explain <b>two other</b> methods by which the state could try to reduce the damage to the environment caused by airlines such as DAL.
		Method 1
		Mathod 2
		Method 2
		[4]

\*(e) Before boarding their flight, passengers must check in with DAL. This means that passengers must show their tickets and passports, as well as check in any luggage. DAL wants to introduce a new computer system to speed up check-in services for flights.

Market research has shown that:

- customers would like quicker check-in, but not at the expense of higher ticket prices;
- check-in is slower at DAL than at its competitors;
- customers would like better check-in facilities without losing friendly customer service.

Advise DAL whether or not it should introduce the new computer system. Give reasons for your advice.
[9+2]

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industrial action.

(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

(i)	State and explain <b>one</b> method by which a conflict between DAL and its workers might be avoided.
	[2]
(ii)	Explain how the law offers protection to workers in the event of redundancies.
	[3]
	Total mark: 32

### **Question 2**

John Finch owns The Corner Store and operates it as a sole trader. It competes in a local market with other small stores and three national supermarkets.

(a)	Identity and explain <b>one</b> example of how a business in your local area has responded to competition.
	Name of firm or organisation
	[2
(b)	Six months ago John borrowed £24,000 from his bank to improve the delivery and storagarea of The Corner Store. The loan is for two years with a fixed rate of interest of 6% per yea This month, his bank has just lowered its rate of interest on loans to 4%.
	Evaluate John's decision to borrow at a fixed rate of interest of 6% per year.
	ro

John has been thinking about plans for the business for the next two years. He plans to increase the number of days and hours that The Corner Store is trading. This would involve changing the pattern of employment within the business by employing more part-time and fewer full-time staff.
Evaluate John's plans for changing the pattern of employment in his business.
[7]

(d) John wants to reduce the costs in his business. However, over the past two years the cost of managing the waste from The Corner Store has increased by 50%. The main reason is the increasing amount of packaging that John must dispose of every day.

John is considering three options.

- 1. Selling the waste packaging to a recycling company.
- 2. Signing a contract with a private waste collection company.
- 3. Leaving the waste to be collected by the local council.

Using the information provided and any other relevant factors, discuss John's options and recommend which option would be best for his business. Give reasons for your recommendation
[8]
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 <b>two</b> reasons why John's decision to sell more sweets to young children is considered to be unethical.
1
[0]

(e)

If you use the following lined pages to complete the answers to any question, the question number <b>must</b> be clearly shown.



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