

Oxford Cambridge and RSA Examinations
General Certificate of Secondary Education

BUSINESS STUDIES B (1952)
BUSINESS PROCESSES - SYNOPTIC PAPER
HIGHER TIER

2324/H

Specimen Paper 2003

Additional materials:

Pre-released Case Study material (2324/F and 2324/H (CS))

TIME 1 hour 15 minutes

Candidate Name	Centre Number	Candidate Number												
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INSTRUCTIONS TO CANDIDATES

- Write your name, Centre number and Candidate number in the boxes above.
- Answer all the questions.
- Write your answers, in blue or black ink, in the spaces provided on the question paper.
- Read each question carefully and make sure you know what you have to do before starting your answer.

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 answers to questions marked with an asterisk (*).

Question number	For examiner's use only
1	
2	
3	
TOTAL	

Question 1

- (a)** Discuss how Judy and Christopher’s business objectives might have changed since they first bought the hotel.

[4]

- *(b) (i)** Using all the information provided in the case study, demonstrate how well the business is performing.

[6+2]

- (ii)** Discuss what other information would be useful in evaluating how well the business is doing.

[4]

(c) Judy and Christopher are looking at ways to increase the profits of the hotel.

Christopher has carried out some market research on the likely effectiveness of options A to E (lines 22 - 32).

Which of the following methods of data presentation would be most suitable for Christopher to use to present his findings to Judy?

- Tables of results
- Graphics and Charts
- Text

Give reasons for your answer.

[6]

[Total: 22]

Question 2

- (a) Judy and Christopher have noticed a decline in the number of overseas bookings (lines 38 and 39).

Comment on the suitability of options A and C as a solution to this problem.

[4]

- (b) Explain **one** other factor which might affect the number of overseas bookings which the hotel receives.

[2]

- (c) Judy and Christopher are looking at ways to increase the profits of the hotel and are considering options A to E listed in the case study.

Discuss how the opening of a new Motorlodge nearby might affect which option they choose.

[6]

[Total: 12]

Question 3

- (a) If Judy and Christopher choose option D, they would have to make some of the restaurant staff redundant.

State and explain **two** possible effects that this might have on other local businesses.

[6]

- (b) Evaluate the extent to which the introduction of option D might result in a conflict between different stakeholders within the business.

[6]

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MARK SCHEME

Specimen Paper 2003

General advice on marking procedures to be used

- 1 An element of professional judgement is required in the marking of any written paper, and candidates may not use the exact words which appear in the detailed sheets which follow. If the Business Studies is correct and also answers the question then the mark(s) should normally be credited.
- 2 Mark in red. A tick (✓) should be used, at the appropriate point, for each answer judged worthy of credit.
- 3 Strike through all blank spaces and/or pages in order to give a clear indication that the whole of the script has been considered.
- 4 The mark total for each question should normally be ringed at the bottom right hand side.
- 5 In cases where candidates give multiple answers, mark the first answer(s) up to the total number required.
- 6 Some questions may have a 'Level of Response' mark scheme. Details of these are given in Appendices attached to this Mark Scheme.
- 7 Abbreviations, annotations and conventions used in the detailed Mark Scheme
 - / = alternative and acceptable answers for the same marking point
 - NOT = answers which are not worthy of credit
 - = (underlining) key words which **must** be used to gain credit
 - ecf = error carried forward

Question 1

22 marks

1 (a)	Target: Ability to demonstrate knowledge and apply to case material.		
	<p>Knowledge Base: Possible start-up objectives include make a profit, run their own business, personal satisfaction. Current objective could relate to the text, e.g. survival, compete with new hotel or could relate to the options, e.g. increase revenue, cut costs. Possible reason for change, e.g. new competitor, declining foreign customers, reduced profit margins from coach companies.</p> <p>Level 2 (3-4 marks) Explains factors which might have caused change.</p> <p>Level 1 (1-2 marks) Identifies valid objectives.</p>		4
(b)	Target: Ability to analyse information provided and evaluate performance of business based on this.		
(i)	<p>Knowledge Base: Sources of information include fig. 1, comments regarding profit margins, staff turnover.</p> <p>Level 2 (4-6 marks) Candidate evaluates performance based on analysis of data by use of calculation, e.g. calculation of profit as a percentage of sales (3.6%), comparison between measures.</p> <p>Level 1 (1-3 marks) Candidate provides simple analysis of data e.g. by use of calculation and commenting on measure of scale of profit compared to revenue.</p> <p>Candidates will also be assessed for their Quality of Written Communication on this part of the question, according to the following requirements:</p>		6
	Ideas are expressed clearly, fluently, legibly and in an appropriate way. There are few errors in spelling, punctuation and grammar.	2	2
	Straightforward ideas are expressed relatively clearly, legibly and appropriately. There may be some errors of spelling, punctuation and grammar, but these do not obscure the meaning of the answer.	1	
	Candidate fails to reach the threshold standard in all respects.	0	
(ii)	<p>Knowledge Base: Financial information is only for one year. Need historical and cross-industry comparisons. Other measures could be used, e.g. Liquidity, Gross Profit, ROCE or non-financial measures such as Labour Turnover, Productivity.</p> <p>Identifies other information required - 1 mark Explains why needed - 1 mark</p> <p>X 2</p> <p>(Allow up to 4 marks for one reason well explained.)</p>		4

(c)	Target: Ability to analyse and evaluate appropriateness of different methods of data presentation.	
	<p>Knowledge Base Graphs/charts suitable for simple communication of large quantities of data. Tables suitable for complex sets of figures, comparative results. Text suitable for formal reports, drawing conclusions.</p> <p>Level 2 (4-6 marks) Recommends suitable method or methods of presentation and supports with arguments e.g. through comparison of advantages/disadvantages or discussing it in context of feedback to business partner.</p> <p>Level 1 (1-3 marks) Analyses option(s) giving advantages/disadvantages in context.</p>	6

Question 2

12 marks

2 (a)	Target: Ability to analyse situations as applied to case study material and reach conclusions based on information provided.	
	<p>Knowledge Base: Option A might work because it could target new markets to replace those lost. Might get overseas customers prepared to pay higher prices.</p> <p>Analyses option in context of information provided in case - 1 mark</p> <p>Evaluates suitability in context of decline in overseas booking – 1 mark X 2.</p>	4
(b)	Target: Ability to demonstrate knowledge and understanding in context of case material and analyse effect on demand from overseas.	
	<p>Identifies effect, e.g. overseas customers have to pay more in hotel if £ is strong, cost of travel to the UK increases, cheaper holidays elsewhere etc - 1 mark.</p> <p>Explanation of effect in context - 1 mark.</p>	2
(c)	Target: Ability to evaluate effect of new competitor in context provided.	
	<p>Knowledge Base: Competitors cheaper except for single rooms. Competitor has better facilities. Competitor is part of a chain. Might seek to develop competitive strategy (options A-C). Option D looks unwise unless moving downmarket. May be too late for option E.</p> <p>Level 3 (5-6 marks) Compares how opening of new competitor might change what will be the best option for the hotel e.g. option D is very similar to Motorlodge, so not so suitable anymore, may be better to choose option B.</p> <p>Level 2 (3-4 marks) Candidate analyses how the new competitor affects each option.</p> <p>Level 1 (1-2 marks) Candidate identifies possible effects of new competitor.</p>	6

Question 3

26 marks

3 (a)	Target: Ability to synthesise business situation using material provided.		
	<p>Identifies effect, e.g. may result in price or non-price war with hotels, other businesses may suffer through job losses, more staff available for other businesses/ hotels.</p> <p>Identifies effect - 1 mark</p> <p>Explanation in context - 2 marks</p>		6
(b)	Target: Ability to demonstrate knowledge and understanding of stakeholders and evaluates the effect of business decisions may have on them.		
	<p>Level 2 (3-6 marks) Comparison of effects of option D on different stakeholders and evaluation of extent to which this may lead to a conflict.</p> <p>Level 1 (1-2 marks) Candidate identifies different stakeholder groups.</p>		6
(c)	Target: Ability to develop an overall strategy and to justify chosen course of action.		
	<p>Knowledge Base: Strategy must be a process, i.e. identifying objectives, gathering information, defining options, implementing, monitoring and reviewing. Implementation can take many forms, e.g. consultation, negotiation, executive action. Factors to consider are both internal and external constraints.</p> <p>Level 3 (6-8 marks) Candidate evaluates strategy either through comparison of methods or by use of context described.</p> <p>Level 2 (4-5 marks) Candidate analyses strategy in context but offers no evaluation.</p> <p>Level 1 (1-3 marks) Candidate identifies strategy as a series of points which may not be linked.</p> <p>Candidates will also be assessed for their Quality of Written Communication on this part of the question, according to the following requirements:</p>		8
	Ideas are expressed clearly, fluently, legibly and in an appropriate way. There are few errors in spelling, punctuation and grammar.	2	2
	Straightforward ideas are expressed relatively clearly, legibly and appropriately. There may be some errors of spelling, punctuation and grammar, but these do not obscure the meaning of the answer.	1	
	Candidate fails to reach the threshold standard in all respects.	0	

(d)	Target: Ability to demonstrate knowledge and apply to case situation in order to reach a reasoned judgement.	
	<p>Knowledge Base: Methods of monitoring could be formal or informal. Possibilities include number of customers, occupancy, revenue profit, staff turnover, productivity.</p> <p>Analysis of the effectiveness of system is provided, e.g. not just data collection but consequent action that counts 3 - 4 marks. Explanation of why monitoring is important - 2 marks. Identification of monitoring method - 1 mark.</p>	4

