



**GENERAL CERTIFICATE OF SECONDARY EDUCATION**  
**BUSINESS STUDIES**

**A292**

Business and People

Candidates answer on the Question Paper

**OCR Supplied Materials:**  
None

**Other Materials Required:**

- Calculator may be used

**Wednesday 13 January 2010**  
**Morning**

**Duration: 1 hour**



Candidate Forename		Candidate Surname	
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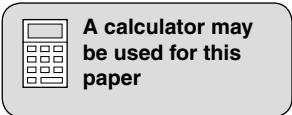
Centre Number						Candidate Number				
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**INSTRUCTIONS TO CANDIDATES**

- Write your name clearly in capital letters, your Centre Number and Candidate Number in the boxes above.
- Use 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.

**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 answers to questions labelled with an asterisk (\*).
- This document consists of **12** pages. Any blank pages are indicated.



1 Convenience Foods Ltd is a large food producer which makes and sells a wide range of ready meals and soft drinks to major supermarkets and other food outlets.

(a) (i) Complete the following sentences by **crossing out** the **incorrect** box in each.

**Sentence one**

Private Limited Companies sell shares  TO THE PUBLIC ON THE STOCK EXCHANGE or  TO FAMILY AND FRIENDS to raise money.

**Sentence two**

Shareholders have limited liability. This means that shareholders  MUST SELL or  DO NOT HAVE TO SELL their personal possessions if the business fails.

**Sentence three**

A Limited Company is in the  PRIVATE SECTOR or  PUBLIC SECTOR . [3]

(ii) Identify and explain **one** reason why businesses such as Convenience Foods Ltd exist.

.....  
.....  
.....  
..... [2]

(b) Convenience Foods Ltd is the result of horizontal integration.

(i) From the list below, tick (✓) **one** box to correctly match the term **horizontal integration** with its explanation.

	✓ Box
Where a firm joins a market which has many competitors.	
Where a firm takes over or merges with another firm at a different stage of production.	
Where a firm takes over or merges with another firm at the same stage of production.	

[1]

(ii) State and explain **one** reason why businesses may join together.

Reason .....

Explanation .....

.....  
.....  
.....  
.....  
..... [3]

- (c) Convenience Foods Ltd may be said to be in the secondary sector and supermarkets in the tertiary sector.

Fig. 1 below shows the change in the level of UK employment in the secondary and tertiary sectors between 1950 and 2010.

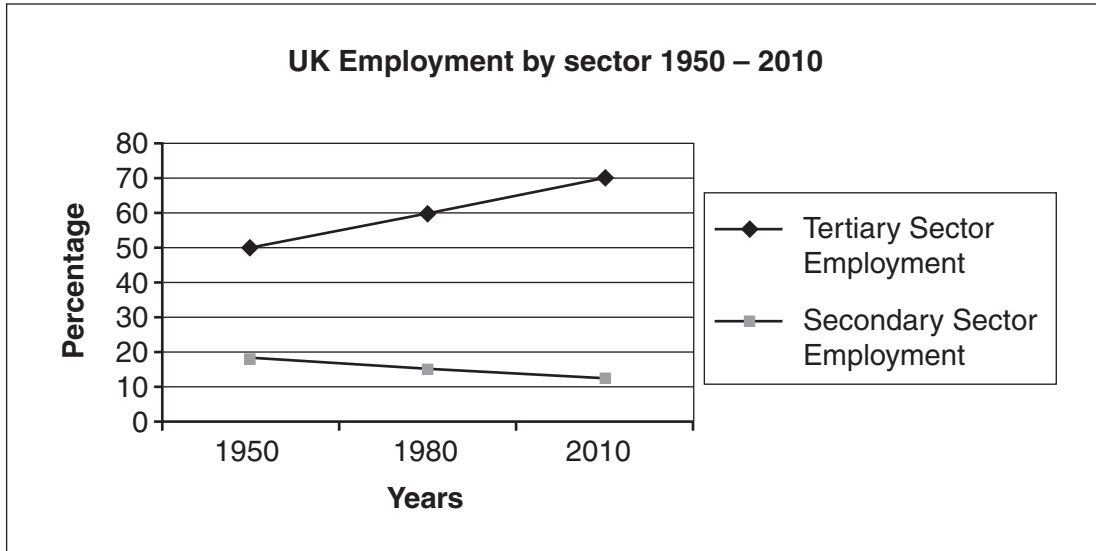


Fig. 1

Using the data shown in Fig. 1 identify the trends shown and explain **one** reason for each of the trends.

Secondary sector trend .....

Secondary sector reason .....

.....  
 .....  
 .....

Tertiary sector trend .....

Tertiary sector reason .....

.....  
 .....  
 .....

[6]

- (d) State and explain **one** reason why Convenience Foods Ltd might be dependent on other businesses in the local area.

Reason .....

Explanation .....

.....

.....

..... [2]

- (e) In 2008, Convenience Foods Ltd employed 150 people, 50 of which were paid at the national minimum wage. Three of these were Daniel 23, James 20, and Natasha 17.

Age	National Minimum Wage 2008	Forecast National Minimum Wage 2011
22 and above	£5.73	£8.00
18 – 21	£4.77	£5.00
16 - 17	£3.53	£3.60

Fig. 2

- (i) Daniel, James, and Natasha each work 30 hours a week. Explain who would gain the most by the changes shown above.

.....

.....

.....

..... [2]

- (ii) Using Fig. 2, discuss the possible significance to Convenience Foods Ltd of the forecast changes in the national minimum wage.

.....

.....

.....

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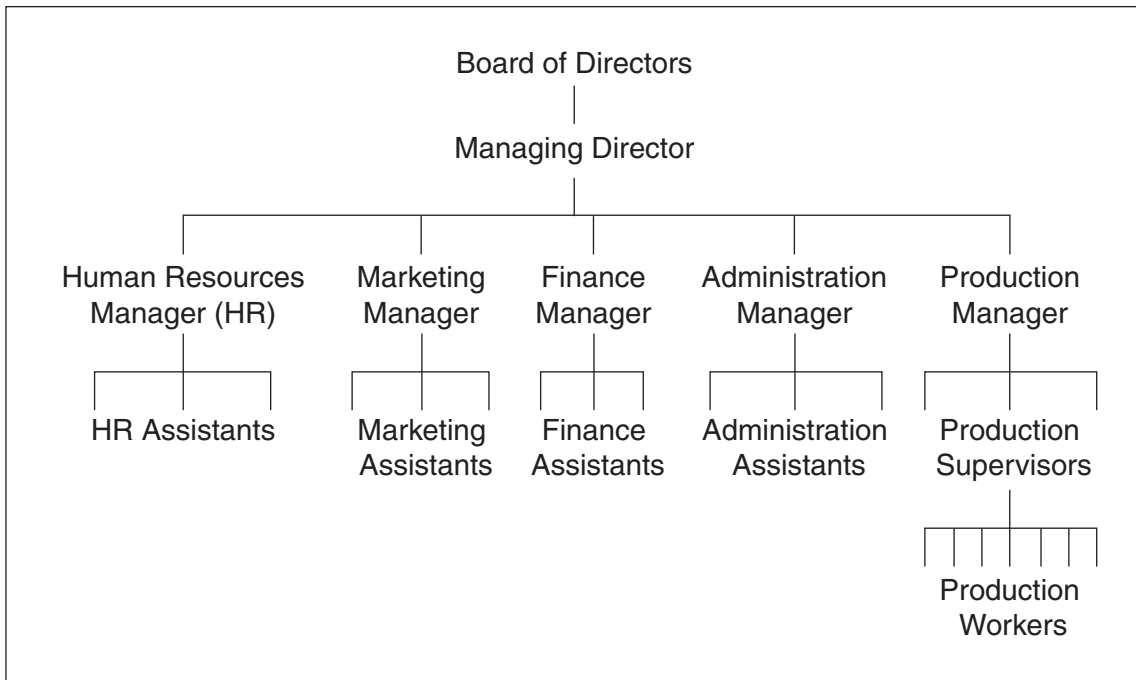
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.....

..... [5]

(f) Fig. 3. shows part of the internal organisational structure of Convenience Foods Ltd.



**Fig. 3**

(i) What is the Managing Director's span of control?

..... [1]

(ii) Explain what is meant by the term **chain of command**. Use an example from Fig. 3 to support your answer.

.....  
 .....  
 .....  
 ..... [2]

(iii) Explain **why** businesses such as Convenience Foods Ltd have a Finance department.

.....  
 .....  
 .....  
 .....  
 .....  
 ..... [3]

**[Total marks: 30]**

2 Britair plc flies customers to destinations throughout Europe. It sells directly to customers over the Internet and in its shops throughout the European Union.

(a) (i) State and explain **one** advantage and **one** disadvantage to Britair plc of operating as a public limited company.

Advantage .....

.....

.....

.....

Disadvantage .....

.....

.....

..... [4]

(ii) Britair plc will have many stakeholders. Explain why each of the following stakeholders may have an interest in Britair plc.

Employees .....

.....

.....

.....

Public .....

.....

.....

..... [2]





(d) Gilbert is the Finance Manager of Britair plc and needs to employ two more staff to work as office juniors, filing and answering the telephones. The Human Resources department placed an advert and provided both a job description and a person specification. They received 100 responses.

(i) Explain why Britair plc should produce each of the following when recruiting the workers.

Job description

.....

.....

.....

.....

Person specification

.....

.....

.....

..... [4]



- (iii) Britair plc motivates workers using monetary and non-monetary methods. State and explain **one** monetary method and **one** non-monetary method Britair plc may use to motivate its new office juniors.

Monetary method .....

Explanation .....

.....

.....

Non-monetary method .....

Explanation .....

.....

..... [4]

[Total marks: 30]

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