

GENERAL CERTIFICATE OF SECONDARY EDUCATION
BUSINESS STUDIES B

2323/02

Business in its Environment (Higher Tier)

Candidates answer on the Question Paper

OCR Supplied Materials:
None

Other Materials Required:
• Calculators may be used

Thursday 20 May 2010
Morning

Duration: 1 hour 15 minutes



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. Additional paper may be used if necessary but you must clearly show your Candidate Number, Centre Number and question number(s).

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 the question labelled with an asterisk (*).
- This document consists of **12** pages. Any blank pages are indicated.



**A calculator may
be used for this
paper**

- PV Travel – another small travel agent
- Eezee Travel – part of a chain of travel agents in the UK
- ETF Travel – a German firm operating throughout the EU including the UK.

Benefit 1:

Benefit 2: [2]

- JGT Travel's owner has been looking at the following market research information:

- Advise JGT Travel whether or not it should specialise in cruise holidays. Give reasons for your advice.

[illegible]

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..... [9]

- (b) Another reason why JGT Travel is considering specialising in cruise holidays is because the local population structure has changed.

A change in the local population structure is an **external factor**. Which type of external factor is a change in population structure? Circle the correct response.

Economic Environmental Legal Political Social

[1]

- (c) JGT Travel considers itself to be an ethical business.

- (i) Explain **two** examples of behaviour which could show that JGT Travel is an ethical business.

Example 1:

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.....

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Example 2:

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..... [4]

- (ii) Explain **one** reason why ethical behaviour is important to a business.

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..... [2]

(d) JGT Travel provides a foreign currency service to its customers. This means that the business must have a stock of foreign currencies available.

- (i) At the end of last week JGT Travel had \$5,000 (US dollars) in stock and the exchange rate was £1 = \$1.55. This week JGT Travel has sold \$1,000 to a customer and the exchange rate is now £1 = \$1.60.

How much is JGT Travel's **remaining** stock of US dollars (\$) now worth in pounds (£)? Show your working.

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..... [3]

Question 2

Activity Gyms Ltd (AGL) operates fitness centres throughout the UK. The business competes against private and public enterprises.

(a) Many local councils provide leisure facilities often including fitness centres for local residents.

(i) Explain why local councils often provide leisure facilities.

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..... [2]

Local councils are involved in the provision of a wide range of other services.

(ii) Identify **three** examples of services **other than leisure services** that are provided by local councils.

1

2

3 [3]

(b) AGL is affected by changes in taxation.

Explain how the following changes in taxation could affect **Activity Gyms Ltd**:

(i) an increase in the rate of income tax for higher income earners;

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..... [2]

(ii) a decrease in the rate of corporation tax.

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..... [2]

- *(iii)** AGL has recently had a large increase in council tax for one of its gyms. As a result, the business is considering whether to move the gym to another town where council tax is much lower.

The manager of the gym is worried about the effect of a possible move upon its current members, although he is pleased that the average incomes in the new town are 25% higher and the town's population is much larger.

Advise AGL whether or not it should move its gym to another town. Give reasons for your advice.

[9+2]

(c) AGL uses technology widely in its business operations.

(i) The management of AGL is considering increasing the use of e-mail to communicate with its members. However, the administration department says that this will increase staff workloads.

Advise AGL whether or not it should increase its use of e-mail to its members. Give reasons for your advice.

..... [6]

- (ii) AGL issues all of its members with an electronic membership card. Members do not use cash, but have to 'top up' their card with credit to pay for any food and drinks.

Identify and explain **two** benefits to **Activity Gyms Ltd** of its members having to use a membership card to pay for any food and drinks.

Benefit 1

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Benefit 2

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..... [4]

[Total marks: 30]

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