

GENERAL CERTIFICATE OF SECONDARY EDUCATION
BUSINESS STUDIES A

1951/08

Case Study – Paper 8 (Higher Tier)

Candidates answer on the Question Paper

OCR Supplied Materials:

- Clean copy Case Study

Other Materials Required:

- Calculator may be used

Thursday 20 May 2010
Morning

Duration: 1 hour 30 minutes



Candidate
Forename

Candidate
Surname

Centre Number

Candidate Number

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).
- Make sure that all your answers relate to the pre-released case study material.

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 **90**.
- 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.



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



Answer **all** questions.

MAKE SURE THAT ALL YOUR ANSWERS RELATE TO THE PRE-RELEASED CASE STUDY MATERIAL.

1 (a) Use the case study to answer the following questions.

(i) Explain **one** advantage to GTD plc of being a public limited company.

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(ii) Explain **one** possible risk that the shareholders of GTD Ltd might have taken in order to change from a private to a public limited company.

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(b) Use **Fig. 1** in the case study to answer the following questions.

(i) Calculate the % increase in the share price between April 2006 and April 2009. Show your working.

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GTD plc has a number of stakeholder groups. Which of the following groups might be **most** affected by the business activities of GTD plc?

- Community
- Employees
- Customers

Give reasons for your answer, explaining why you have rejected the other options.

..... [6+2]

[Total mark: 19]

- 2 (a) Explain **one** reason why the government might have given GTD Ltd a grant (line 26) to help set up the business.

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- (b) Explain **one** reason why GTD Ltd might have decided to rent (lines 24-25) rather than buy a unit in the industrial park.

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- (c) How important is 'always delivering on time' (lines 36 and 43) to the overall marketing strategy for GTD Ltd? Give reasons for your answer.

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- (d) (i) Fig. 1 below shows the Product Life Cycle for the turbine blade in the UK.

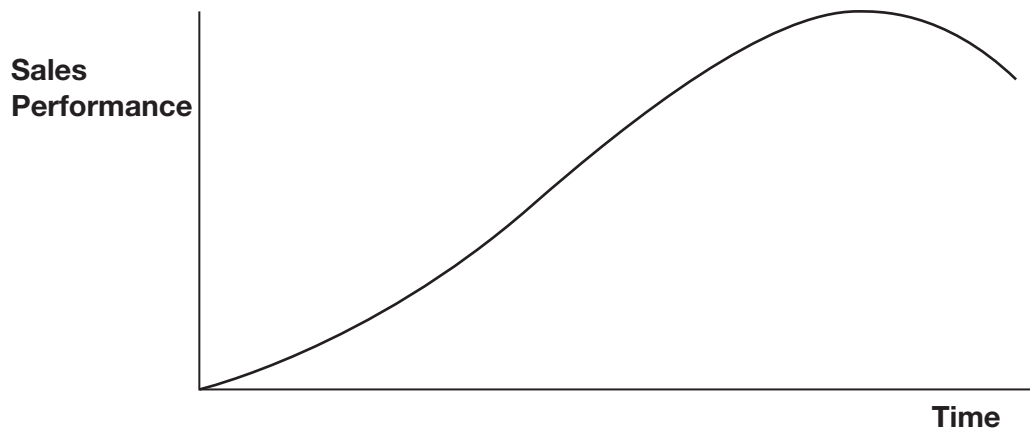


Fig. 1

Indicate on Fig 1, using a cross (X), where the turbine blades are currently positioned on the Product Life Cycle. [1]

- (ii) Discuss the importance of the Product Life Cycle in helping GTD plc to predict the future sales of wind turbines.

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- (e) Explain **two** advantages to GTD plc of exporting the turbine blades to the rest of the EU.

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[Total mark: 19]

- 3 Use **Resource Sheet 3** to help answer the following questions.

- (a) Karen only used secondary research in her investigation. **Discuss** reasons why this method of research may be limited in terms of researching her proposal to establish a factory in India.

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- (b) Explain **one** disadvantage of delegating control of the manufacturing process to local managers and workers in India (lines 71-73).

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- (c) Wayne wants to sell the turbine as a complete unit (line 51-53). Assess the effect that this change might have on the workforce at GTD plc.

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- (d) Explain how Bob's objectives as Finance Director might conflict with Wayne's objectives.

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[Total mark: 13]

4 ***(a)** Ahmed has three immediate staff problems at GTD plc to deal with (lines 86-93):

- skin complaints
- deadlines not met
- petrol issues.

Which of these issues is **most likely** to have a direct effect on the motivation of the workforce? Give reasons for your answer.

[6+2]

(b) Explain **one** advantage of 'off the job' training courses such as the one that Ahmed has recently attended.

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- (c) (i) Ahmed uses one leadership style (line 76), Karen and Wayne appear to use a different style (lines 81-83). Explain the differences between these leadership styles.

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- (ii) What might be the effect of these different styles of leadership on the productivity of the workforce at GTD plc? Give reasons for your answer.

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(d) Use **Resource Sheet 4** and **Resource Sheet 5** to answer the following questions.

- (i) Which item on the Balance Sheet is affected by companies not paying the money they owe to GTD plc within three months (lines 107-108)?

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- (ii) Total sales revenue has increased from £6m in 2010 to £8m in 2011. Calculate the % increase in **total** sales revenue. Show your working.

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- (iii) Discuss whether or not the Board of Directors would be pleased with the forecast performance of GTD plc in 2011.

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[Total mark: 29]

- *5** Use the information in the case study and all the Resource Sheets to answer the following question.

The Board of Directors must make a decision about which of the following courses of action they should take to ensure the long term success of GTD plc. They could:

- establish an additional factory in India supplying complete wind turbine units.
- relocate in the UK and supply complete units
- stay where they are, continue to only make turbine blades but improve the production and marketing strategy
- continue to run the business without making any changes.

Recommend the most suitable course of action, mentioning any additional information the Board of Directors may require to make a more informed decision. Give reasons for your recommendation.

[8+2]

[Total mark: 10]

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