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Centre Number						Candidate Number				
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**OXFORD CAMBRIDGE AND RSA EXAMINATIONS
GENERAL CERTIFICATE OF SECONDARY EDUCATION**

A292

BUSINESS STUDIES

Business and People

FRIDAY 28 MAY 2010: Afternoon

DURATION: 1 hour

SUITABLE FOR VISUALLY IMPAIRED CANDIDATES

Candidates answer on the Question Paper

OCR SUPPLIED MATERIALS:

None

OTHER MATERIALS REQUIRED:

Calculator may be used

READ INSTRUCTIONS OVERLEAF

INSTRUCTIONS TO CANDIDATES

- Write your name clearly in capital letters, your Centre Number and Candidate Number in the boxes on the first page.
- 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.
- 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 questions labelled with an asterisk (*).

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1 **Healthy Teeth Partnership (HTP) is a dental practice which opened in 2004.**

(a) (i) **From the list below, tick ONE box which is a feature of a Partnership.**

FEATURE	TICK
Shares can be sold to family and friends	
Income tax must be paid on profit	
The owners have limited liability	
Financial information is sent to Companies House	

[1]

(ii) **Identify ONE stakeholder in Healthy Teeth Partnership and explain why they have an interest in the business.**

Stakeholder _____

Explanation _____

_____ [2]

(b) In its FIRST YEAR OF TRADING the objective for Healthy Teeth Partnership was to survive. It kept accurate records to help it to meet this objective.

(i) Identify ONE reason why keeping accurate records will help a business survive in its first year.

[1]

(ii) State and explain ONE reason WHY Healthy Teeth Partnership's objectives may have changed after its first year of business.

[2]

(c) When opening its business, Healthy Teeth Partnership looked at many locations.

(i) Explain TWO factors which Healthy Teeth Partnership may have taken into consideration when locating its business.

Factor 1 _____

Factor 2 _____

_____ [4]

(ii) Explain how the opening of Healthy Teeth Partnership may be good for OTHER businesses in the area.

_____ [2]

(d) Good communication is important if a business is to be successful.

State and explain TWO appropriate methods Healthy Teeth Partnership might use to communicate with its CUSTOMERS.

Method 1 _____

Method 2 _____

_____ **[4]**

(e) Healthy Teeth Partnership aims to become more competitive.

(i) The information below shows three actions which may or may not help Healthy Teeth Partnership in achieving this aim.

Indicate, with a TICK (✓), if each action is likely OR unlikely to help Healthy Teeth Partnership become more competitive.

Action	LIKELY to help Healthy Teeth Partnership to become more competitive.	UNLIKELY to help Healthy Teeth Partnership to become more competitive.
Increase money spent on training employees.		
Employing poorly qualified workers.		
Increase money spent on updating ICT facilities.		

[3]

(ii)* **Quality of written communication will be taken into account.**

Healthy Teeth Partnership is considering the TAKEOVER of an ESTABLISHED local dental practice called PERFECT SMILE.

Explain WHETHER OR NOT Healthy Teeth Partnership would be likely to benefit from the takeover of Perfect Smile. In your answer you should refer to the advantages and disadvantages of takeovers.

[6]

- (f) Janice, one of the partners of Healthy Teeth Partnership, saw the following newspaper headline.

HEADLINE

STAFF APPRAISAL IS INCREASING
In 2009, 75% of businesses appraised employees.
This has increased from 45% in 1999.

After reading the headline, Janice suggested to the other partners of Healthy Teeth Partnership that they should introduce yearly appraisal of their staff. Explain ONE possible reason why a yearly appraisal of staff would be an advantage to Healthy Teeth Partnership.

[3]

[Total marks: 28]

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2 Cosy Beds Ltd makes and sells beds and mattresses. It sells to department stores across the UK and to the public directly over the internet.

(a) In 2005 Cosy Beds Ltd nearly went out of business. Its employees kept the business trading by forming a Worker Co-operative.

(i) Draw ONE line which correctly matches the phrase WORKER CO-OPERATIVE with its explanation.

An issue of a license to sell goods and services using somebody else's name

**WORKER
CO-OPERATIVE**

A business which sells shares on the stock market

Business owned and controlled by its workers rather than outside shareholders.

[1]

(ii) Explain ONE advantage and ONE disadvantage of operating the business as a Worker Co-operative.

Advantage _____

Disadvantage _____

_____ [4]

(b) By 2008 Cosy Beds Ltd had become profitable and now employed 40% more employees than in 2005.

(i) One reason why Cosy Beds Ltd had become profitable is because it introduced TOTAL QUALITY MANAGEMENT (TQM) into its production process. Explain the meaning of TQM.

[2]

(ii) Explain ONE advantage and ONE disadvantage to Cosy Beds Ltd of employing 40% more employees than in 2005.

Advantage _____

Disadvantage _____

[4]

(c) The following headline recently appeared in a national newspaper.

When businesses comply with the Health and Safety at Work Act both employees and management can benefit

Explain ONE way in which Cosy Beds Ltd and its employees may benefit because the business complies with the Health and Safety at Work Act.

Benefit to Cosy Beds Ltd

Benefit to Employees

[4]

(d) Fig. 1 shows the wage slip for Daniel Hernandez, an employee of Cosy Beds Ltd for the week ending 12 May 2010

Fig. 1

**WAGE SLIP FOR DANIEL HERNANDEZ –
WEEK ENDING 15 MAY 2010**

EMPLOYEE DANIEL HERNANDEZ		EMPLOYEE NUMBER 56	
WEEK NO: 6		WEEK ENDING 15 May 2010	
PAY	£	DEDUCTIONS	£
Basic Pay	500.00	Tax	100.00
Overtime Pay	75.47	Other deductions	62.56
Gross Pay	575.47	TOTAL DEDUCTIONS	162.56
NET PAY	<input type="text"/>		

(i) Calculate Daniel's Net Pay earned in the week ending 15 May 2010. Show your working

[2]

(ii) Cosy Beds Ltd needs to recruit an additional employee who will have the SAME duties and responsibilities as Daniel. They plan to recruit a woman and pay her less than him. Explain why Cosy Beds Ltd will be breaking TWO DIFFERENT LAWS if they do this.

Law 1

Law 2

[4]

(e) Fig. 2 opposite shows part of the internal organisational structure of Cosy Beds Ltd.

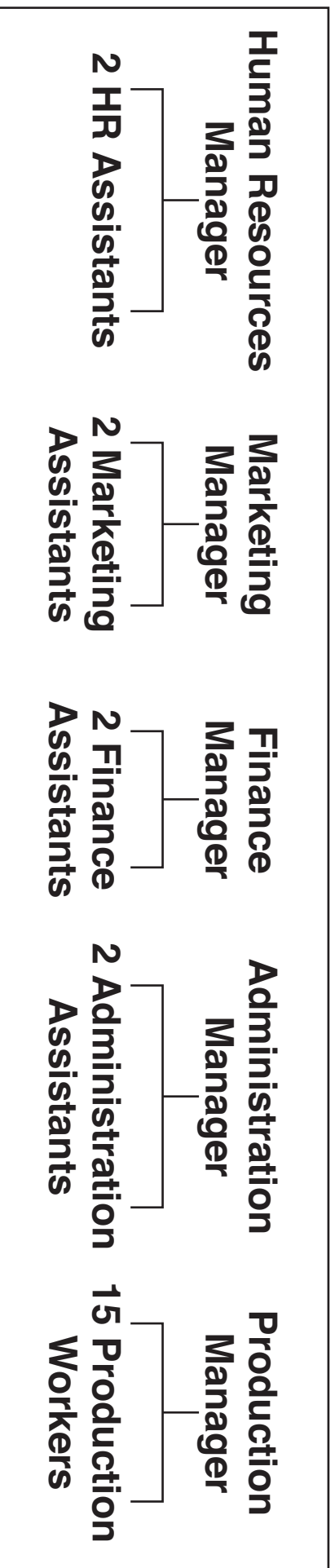
(i) Use an example from Fig. 2 to explain the meaning of the term DELEGATION.

[2]

(ii) The two Finance Assistants JOB SHARE. Explain how job sharing may benefit Cosy Beds Ltd instead of employing one full time worker.

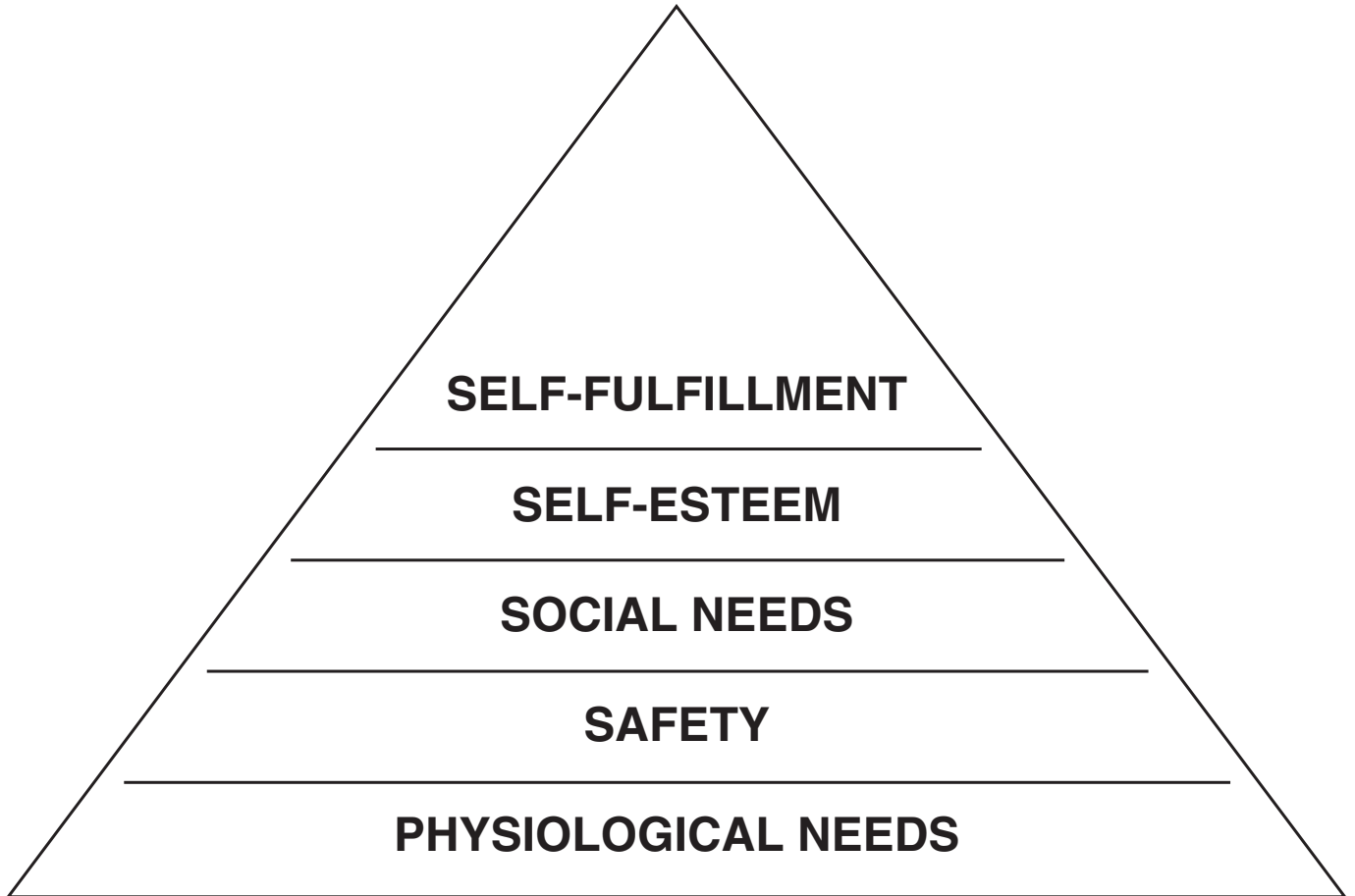
[3]

Fig. 2



(iii) Each manager at Cosy Beds Ltd has been taught about MASLOW'S HIERARCHY OF NEEDS. This hierarchy is shown below.

Fig. 3



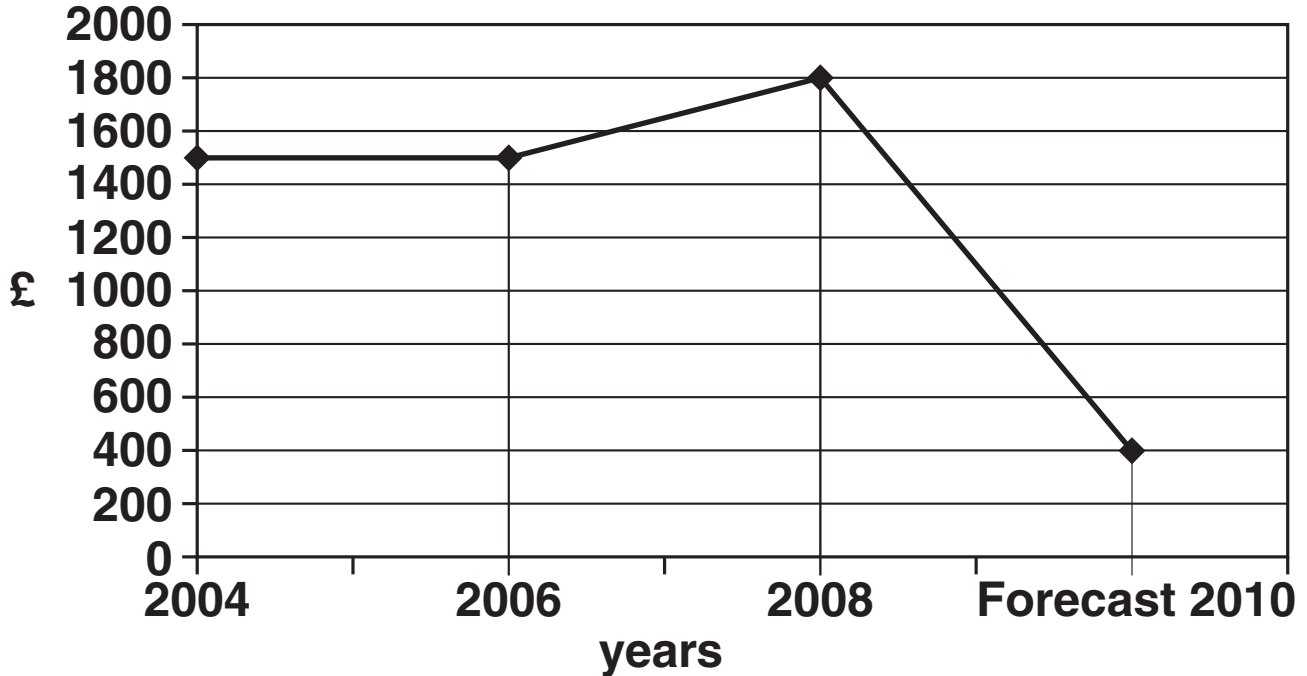
Explain how Cosy Beds Ltd can help employees to achieve SELF-ESTEEM.

[2]

(f) Study the following information on training expenditure in the UK.

Fig. 4

**THE AMOUNT SPENT PER EMPLOYEE
ON TRAINING 2004 – FORECAST 2010**



Analyse the information shown in Fig. 4 and suggest HOW employees at Cosy Beds Ltd might be affected by the data. Give reasons for your answer.

[4]

[Total marks: 32]

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