

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
GCSE

A292/01

BUSINESS STUDIES
Business and People

WEDNESDAY 21 MAY 2014 : Morning

DURATION: 1 hour
plus your additional time allowance

MODIFIED ENLARGED

Candidate forename		Candidate surname	
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Centre number						Candidate number				
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Candidates answer on the Question Paper.

OCR SUPPLIED MATERIALS:

None

OTHER MATERIALS REQUIRED:

Calculators may be used.

A CALCULATOR MAY BE USED FOR THIS PAPER
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READ INSTRUCTIONS OVERLEAF

INSTRUCTIONS TO CANDIDATES

Write your name, centre number and candidate number in the boxes on the first page. Please write clearly and in capital letters.

Use black ink. HB pencil may be used for graphs and diagrams only.

Answer ALL the questions.

Read each question carefully. Make sure you know what you have to do before starting your answer.

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.

Your quality of written communication will be assessed in questions marked with an asterisk (*).

Any blank pages are indicated.

BLANK PAGE

Answer ALL questions.

- 1 In 2006, Leroy opened a shop called Trendy which sells clothes for men to customers in the local area. Leroy operates Trendy as a sole proprietor.**

(a) (i) Complete the TWO sentences below by circling the CORRECT ANSWER in each sentence.

A sole proprietor has

unlimited liability or limited liability or no liability .

A sole proprietor is run by

shareholders or partners or one owner .

[2]

- (ii) Explain TWO reasons why Leroy may have wanted to operate Trendy as a sole proprietor, rather than as a partnership, when he started his business.

Reason 1 _____

Reason 2 _____

[4]

(b) The stakeholders of a business often have conflicting objectives.

List TWO of Trendy's possible stakeholders and explain why they may be in conflict with each other.

Stakeholder 1

Stakeholder 2

Conflict

[3]

(c) One objective for Leroy when he started the business was for Trendy to grow.

(i) Identify ONE way in which the growth of a business can be measured.

_____ **[1]**

(ii) Explain why it is important for the owners of a business to think carefully about its organisational structure.

_____ **[3]**

(d) Leroy decided that Trendy should grow by lateral integration.

(i) Explain the meaning of the term LATERAL INTEGRATION.

[2]

(ii) State and explain ONE advantage to Trendy of growing through integration with another business.

Advantage _____

Explanation _____

[2]

- (e) Leroy decided to change Trendy's business organisation to a private limited company.**

State and explain ONE reason why Leroy may have decided to operate Trendy as a private limited company instead of continuing to operate it as a sole proprietor.

Reason _____

Explanation _____

[3]

(f)* After seven years, Trendy Ltd has grown significantly and now employs a number of staff. As a result, maintaining employee motivation has become increasingly difficult. To increase employee motivation, the directors of Trendy Ltd are considering whether to introduce FRINGE BENEFITS or an employee PROFIT SHARING SCHEME.

Discuss which of these two methods you would choose in order to improve the motivation of Trendy Ltd's employees. In your answer you should explain why you did NOT choose the other method. [6]

- (g) The growth of Trendy Ltd meant an additional office worker was required. Jane was recruited and she required training on **HOW TO DEAL WITH DIFFICULT CUSTOMERS ON THE TELEPHONE**, and on **HOW TO USE THE PHOTOCOPIER**. Fig. 1 shows three possible training methods.

FIG. 1

TRAINING METHOD
demonstration
role play
team building exercises

Using Fig. 1, choose the training method which bests suits **EACH** of Jane's training needs. Give a reason for **EACH** of your choices.

- (i) how to deal with difficult customers on the telephone

Training method _____

Reason _____

_____ [2]

(ii) how to use the photocopier

Training method _____

Reason _____

[2]

2 Four by Four plc makes cars at its UK factory and sells them in Europe.

(a) (i) From the list below, tick (✓) ONE box which is a feature of a public limited company.

FEATURE	Tick (✓)
Shares must be sold to family and friends	
Income tax must be paid on profit	
Shares are sold on the stock exchange	
Accounts are kept private	

[1]

(ii) Four by Four plc has gone through the process of incorporation.

Explain the meaning of INCORPORATION.

[2]

(b) State and explain TWO factors which Four by Four plc may have taken into consideration when locating its factory.

Factor 1 _____

Explanation _____

Factor 2 _____

Explanation _____

[4]

- (c) Four by Four plc requires a new head of marketing. After receiving 200 applications, Four by Four plc used the selection procedure as outlined in Fig. 2.

FIG. 2

SHORTLIST six of the 200 applicants

Hold a 10 minute INTERVIEW with each shortlisted candidate

Have 15 employees from various levels in the business on the INTERVIEW PANEL

Ask each shortlisted candidate DIFFERENT QUESTIONS in the interview

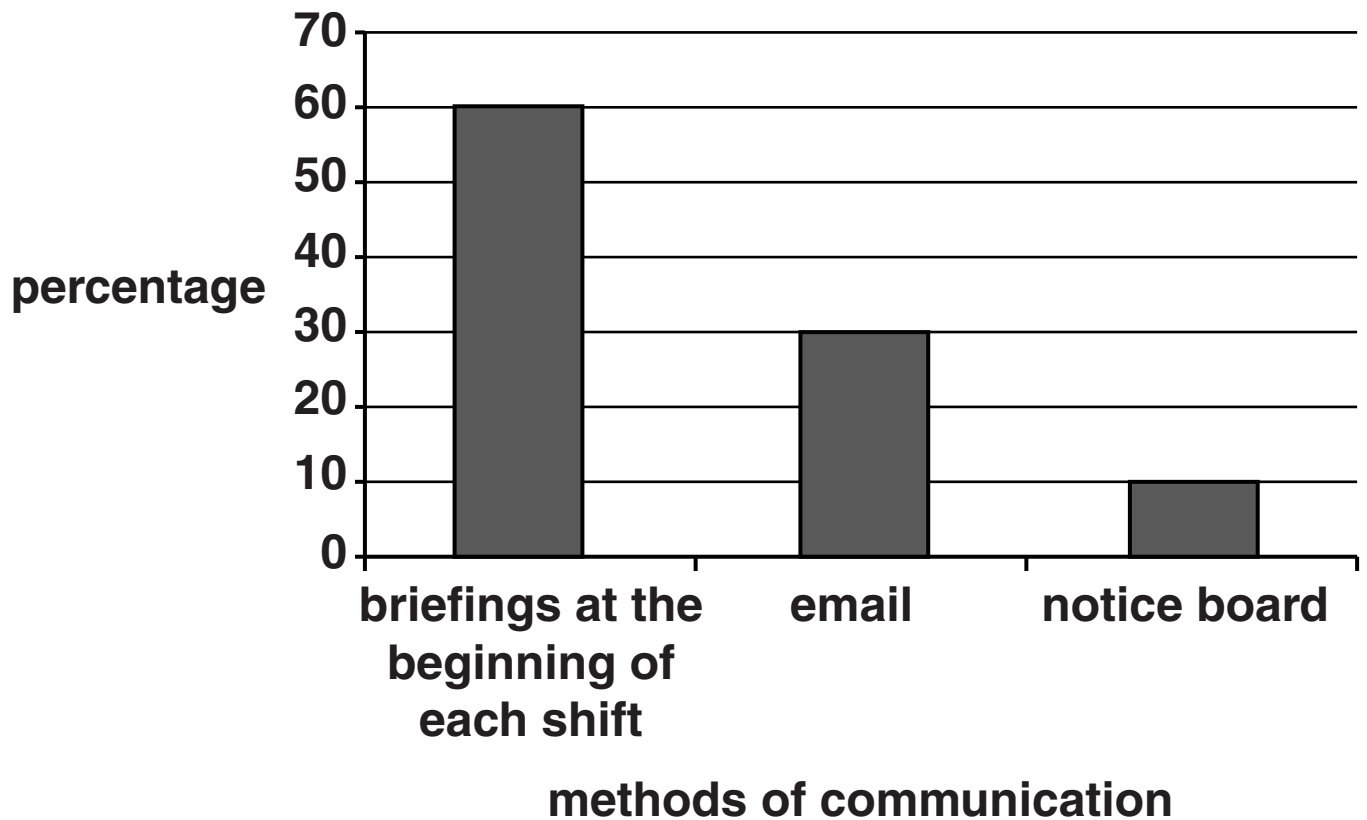
Use GROUP ACTIVITIES as part of the selection process

Using Fig. 2, advise Four by Four plc WHETHER OR NOT this selection procedure is appropriate for selecting a new head of marketing. You should refer to both the ADVANTAGES and DISADVANTAGES of this selection procedure in your answer. [6]

[illegible]

- (d) Four by Four plc has 500 employees. The business carried out a survey about the methods of communication its employees preferred to be used. One of the findings is given in Fig. 3.

FIG. 3



- (i) Identify which method of communication is the **MOST PREFERRED** method within Four by Four plc.

[1]

- (ii) Choose ONE method of communication in Fig. 3 and explain ONE possible problem for Four by Four plc in using this method to communicate with its employees.

Chosen method of communication

Explanation

[2]

- (e) Given the developments in ICT, some employees at Four by Four plc have been able to change their pattern of work.

State and explain TWO advantages to FOUR BY FOUR PLC of the business allowing different patterns of work for its employees.

Advantage 1 _____

Explanation _____

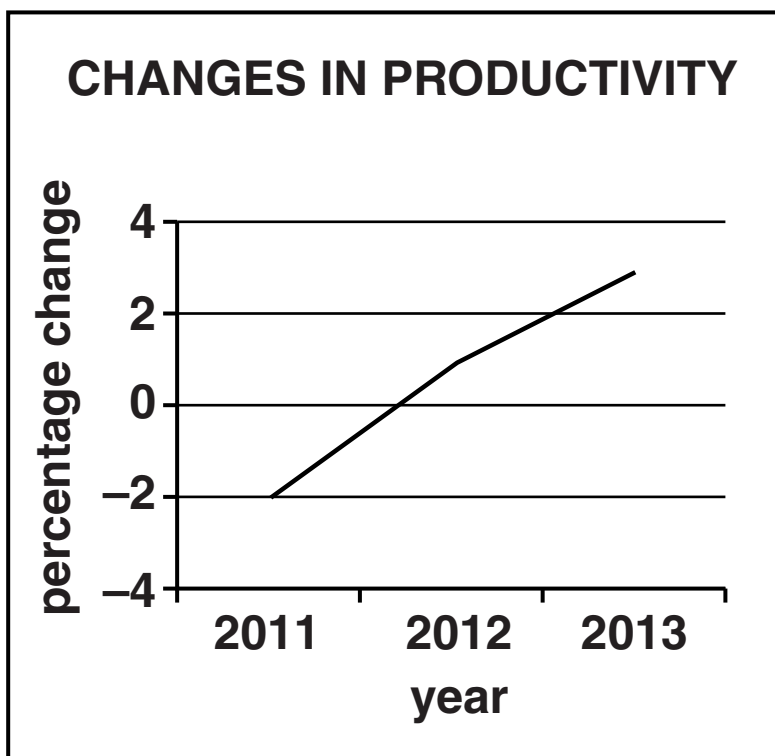
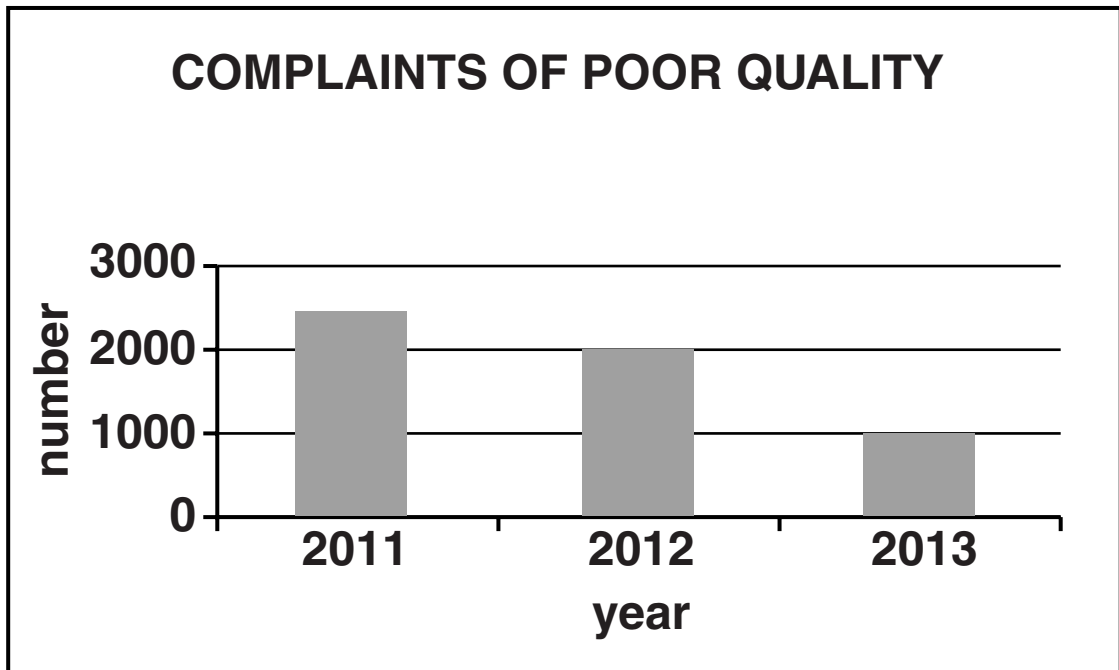
Advantage 2 _____

Explanation _____

[4]

- (f) At the end of 2013, Four by Four plc produced the information in Fig. 4.

FIG. 4



[4]

(g)* Fig. 5 shows an extract from a national newspaper.

FIG. 5

The Transit Car union has warned that further industrial action is ‘inevitable’ as its members resist any reductions to their employment rights and living standards.

Evaluate possible effects on Four by Four plc of the information shown in Fig. 5. [6]

END OF QUESTION PAPER



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