

Candidate Name	Centre Number	Candidate Number

WELSH JOINT EDUCATION COMMITTEE  
General Certificate of Secondary Education



CYD-BWYLLGOR ADDYSG CYMRU  
Tystysgrif Gyffredinol Addysg Uwchradd

122/01

**BUSINESS STUDIES**

**PAPER 1 (G-C)**

**FOUNDATION TIER**

P.M. THURSDAY, 15 JUNE 2006

(2 Hours)

For Examiner's use only		
Question	Maximum mark	Mark awarded
1.	3	
2.	2	
3.	3	
4.	3	
5.	3	
6.	15	
7.	14	
8.	17	
9.	20	
10.	20	
QWC	5	
<b>Total</b>	<b>105</b>	

**ADDITIONAL MATERIALS**

Calculators may be used.

**INSTRUCTIONS TO CANDIDATES**

Write your name, centre number and candidate number in the spaces at the top of this page.

Answer **all** the questions.

Write your answers to all the questions in the spaces provided in this question-and-answer booklet.

**INFORMATION FOR CANDIDATES**

The mark allocation for each part of a question is shown in brackets.







You will be awarded marks for the quality of written communication.

No certificate will be awarded to a candidate detected in any unfair practice during the examination.

Answer **all** the questions in the spaces provided.

1. Which **three** of the following are the responsibilities of a company's personnel or human resources department? [3]

N.B. Tick **three** boxes only.

<p>Customer complaints</p> 		<p>Completing the accounts</p> 	
<p>Advertising jobs</p> 		<p>Looking after the welfare of workers</p> 	
<p>Selecting new job applicants</p> 		<p>Planning production</p> 	

2. Which **two** of the following are methods of desk research? [2]

N.B. Tick **two** boxes only.

Reading trade journals

Using telephone polls

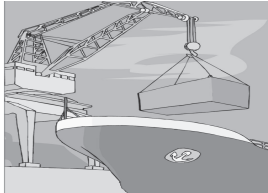


Using consumer trials

Looking at Government statistics

3. Which **three** of the following have happened as a result of Britain’s membership of the European Union? [3]

N.B. Tick **three** boxes only.



Less trade between British businesses and Europe.



British workers find it easier to get work in European Union countries.



More trade with the United States of America.



No customs duties paid when moving goods between European Union countries.

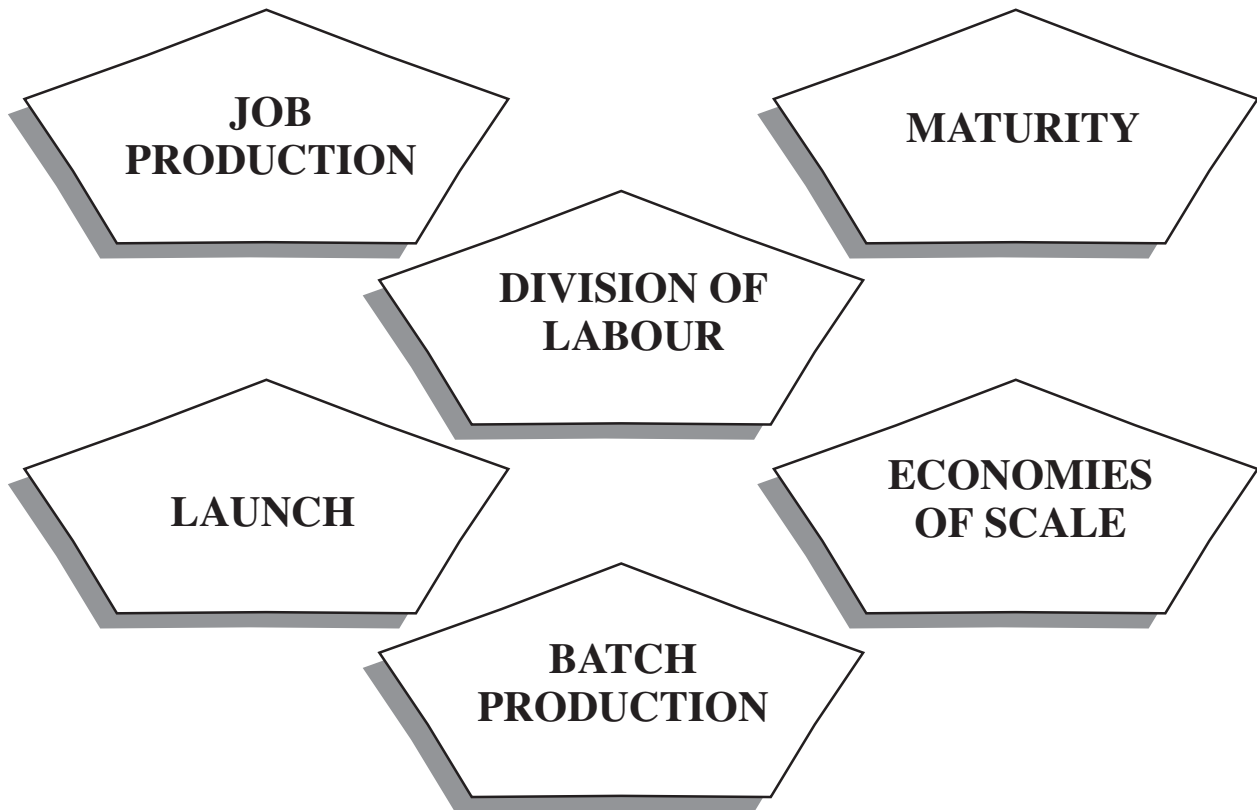


More trade with other European Union countries.

4. Mohammed Quereshi is applying to his bank for a loan. He has been asked to send a business plan. List **three** pieces of **financial** information that Mohammed could include in his business plan. [3]

- (i) .....
- (ii) .....
- (iii) .....

5. Below are a number of terms and phrases used in business.



Which of the above best describes **each** of the following:

[3]

(a) a method of production where goods are made to individual customer orders;

.....

(b) a system in which workers specialise in the job in which they are most skilled;

.....

(c) the introduction of a new good on to the market?

.....

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6.



The photograph above shows a chemist’s shop near a doctor’s surgery. It is alongside a main road which runs through a large housing estate on the outskirts of a Welsh town. The shop is a co-operative retail business.

- (a) In which sector - primary, secondary or tertiary - does this business operate? Give a reason for your answer. [2]

.....

.....

- (b) Which **one**, from the list below, are the owners of a co-operative retail business? Underline your answer. [1]

The Government

The taxpayers

The customers

- (c) Suggest and explain **two** reasons why the chemist shop shown in the photograph is in a good location. [4]

(i) .....

.....

.....

(ii) .....

.....

.....



7. Carl's Cars is a medium sized garage situated in Tonnewydd. The business employs eight mechanics who are each paid £11 per hour.

Below is a payslip for Jane Price, one of the mechanics who works for Carl's Cars. Study the payslip and answer the questions which follow.



<b>Carl's Cars</b>					
<b>Payslip</b>					
DATE	TAX WEEK	NAME			
20/6/06	12	Jane Price			
N.I. No.	TAX CODE	BANK	BANK CODE	ACCOUNT	
YM123456D	458L	Lloyds TSB	30-90-70	00772311	
<b>THIS YEAR TO DATE</b>					
TAXABLE PAY	TAX PAID	NATIONAL INSURANCE	PENSION	CHARITY DONATION	
£5200.00	£750.00	£500.00	£312.00	£24.00	
<b>THIS WEEK</b>					
GROSS PAY		DEDUCTIONS		TOTALS	
BASIC	£440.00	PAYE	£63.00	GROSS PAY	
		N.I.	£44.00	LESS DEDUCTIONS	
		PENSION	£26.00		
		CHARITY	£2.00		
GROSS PAY	£440.00	TOTAL	£135.00	NET PAY	?

- (a) Calculate Jane Price's net pay. (Show your workings.)

[2]

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- (b) Income tax is collected using a system called PAYE. What do these initials stand for?

[1]

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8. Julian Smith is eager to set up his own business after gaining a degree. He believes that there are opportunities for him in his own city of Swansea to set up an office cleaning business.



(a) Suggest **three** reasons why Julian wants to set up his own business. [3]

(i) .....  
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.....

(ii) .....  
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.....

(iii) .....  
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.....

(b) Julian is considering running his business as a sole trader. Suggest and explain **two** problems which Julian might face. [4]

(i) .....  
.....  
.....

(ii) .....  
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.....

(c) Suggest **two** types of external communication which Julian might use when running his business. [2]

(i) .....  
(ii) .....



9. Read the article below and answer the questions which follow.

### Jeans giant in trademark battle

Howies, a small clothes manufacturing company in West Wales, is facing a legal battle with one of the biggest jeans manufacturers in the world. Howies, which has just five staff, has been challenged by Levi Strauss and Co which employs 12,000 people. The American business is accusing the Welsh firm of copying the famous Levi **brand** red label by placing a grey label on the rear back pocket of its jeans. Levi Strauss first patented its right to place its logo on the right back pocket in America in 1938. Now it has written to the Welsh firm saying that the Howies brand could cause confusion amongst customers.

Howies makes about 15,000 T-shirts and 2,000 pairs of jeans a year and would like to produce more by employing more workers and moving to a new location.

*Adapted from www.bbc.co.uk 1 May 2003.*

(a) The Levi Strauss brand is important to that company. Why is a brand so important in the marketing of a product? [4]

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Howies also makes clothing for bikers and skateboarders. The owners of Howies have strong ethical policies e.g. they use organic cloth, which has not been treated by pesticides and its workers are given "too nice to work days" where they are encouraged to go out biking and skateboarding.

(b) Explain why some businesses, such as Howies, have strong ethical policies. [4]

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10. Read the article below and answer the questions which follow.

### New jobs at organic food firm

Rachel's Organic was founded by farmers Gareth and Rachel Rowlands in 1984. Its success has reflected the rapid increase in demand for organic food and drink over the last ten years. The business was sold to an American organic milk producer, Horizon Organic, in 1999.

A three million pound extension to the dairy will create fifty new jobs and treble capacity. This will allow Rachel's Organic in Aberystwyth to target mainland Europe. At present Rachel's Organic's yogurts, milk, cream, and butter are sold throughout the UK and are served in top London hotels. Managing director Neil Burchell said the extension was vital for the company's long-term plans. "Working with the Welsh Development Agency we intend to break into the market in continental Europe next year," he said.

As well as expanding into Europe the firm is also determined to extend the range of products it sells.

*Adapted from www.bbc.co.uk 11 November 2004*

- (a) Packaging is obviously important to Rachel's Organic. Why is packaging important in the selling of products by Rachel's Organic? [4]

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- (b) Suggest and explain reasons why a large American business such as Horizon Organic wanted to take over a smaller business, such as Rachel's Organic. [4]

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