



4080/01

BUSINESS STUDIES

A.M. WEDNESDAY, 21 May 2014

2 hours plus your additional time allowance

Surname _____

Other Names _____

Centre Number _____

Candidate Number 0 _____

For Examiner's use only

Question	Maximum Mark	Mark Awarded
1.	2	
2.	2	
3.	4	
4.	4	
5.	4	
6.	4	
7.	20	
8.	20	
9.	20	
10.	20	
Total	100	

ADDITIONAL MATERIALS

Calculators may be used.

INSTRUCTIONS TO CANDIDATES

Use black ink, black ball-point pen or your usual method.

Write your name, centre number and candidate number in the spaces provided on the front cover.

Answer ALL questions.

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

If you run out of space, use the continuation pages at the back of the booklet, taking care to number the question(s) correctly.

INFORMATION FOR CANDIDATES

The number of marks is given in brackets at the end of each question or part-question.

You are reminded that assessment will take into account the quality of written communication used in your answers to questions 9(e) and 10(e).

Answer ALL the questions in the spaces provided.

- 1. Which TWO of the following are used by BUSINESSES in order to raise extra finance? [2]**

Tick TWO boxes only.

Have a raffle	
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Sell assets	
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Hold a jumble sale	
---------------------------	--

Take on a partner	
--------------------------	--

2. Which TWO of the following are functions of trade unions? [2]

Tick TWO boxes only.

Give redundancy pay to members	
Organise strikes for their members, if necessary	
Inform members of their employment rights	
Set up co-operatives owned by the members	

3. Suggest and explain TWO reasons why packaging is important to manufacturers of food products.

[4]

(i) _____

3(ii)

4. **The directors of Buble Bread Ltd want to introduce ICT to improve the running of their business. They have already introduced desk top publishing (DTP) to improve marketing.**

Suggest ONE other type of ICT they might introduce to improve EACH of the following. [4]

Financial calculations

Customer records

Letter writing

Meetings with distant branches

5. Burger Plus has received bad publicity about its environmental standards. Litter is a major problem outside many of its fast food takeaway restaurants.

Suggest and explain TWO actions the business can take to improve its environmental and ethical reputation.

[4]

(i) _____

5(ii)

VENTURE CAPITAL

DEMOCRATIC LEADERSHIP

BREAK EVEN CHART

ORGANISATION CHART

AUTOCRATIC LEADERSHIP

SPAN OF CONTROL

DEED OF PARTNERSHIP

OVERDRAFT

6. Opposite are a number of business terms. Which of the terms best describes EACH of the following:

[4]

(i) a diagram which shows the internal structure of a business;

(ii) a legal document which covers the ownership and control of a business;

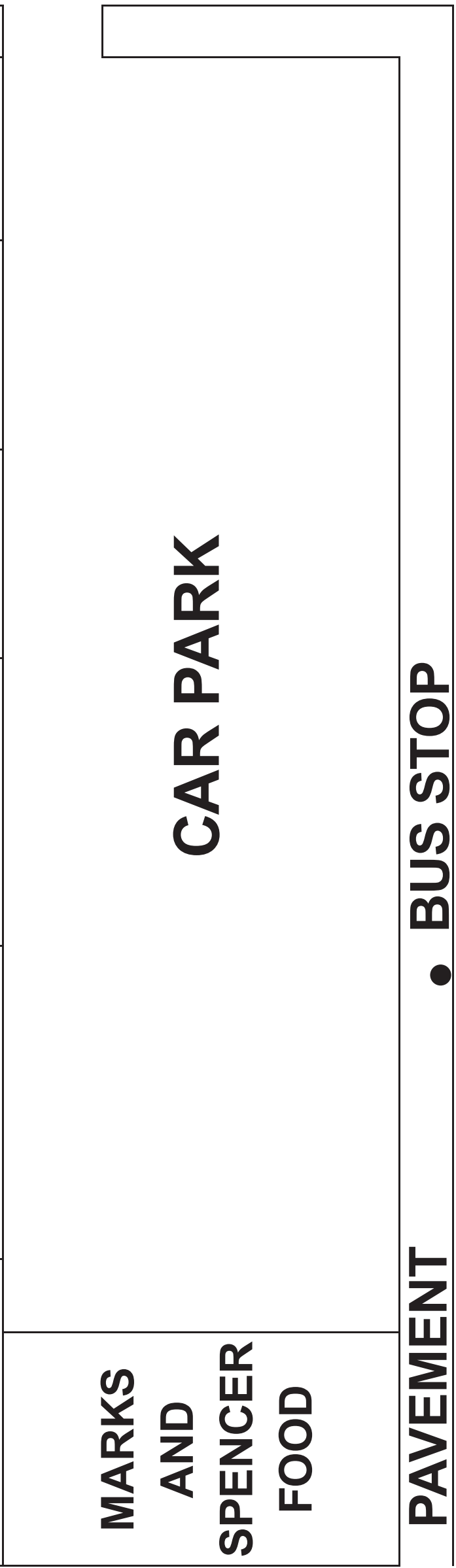
6(iii) a type of leadership where employees are consulted on business decisions;

(iv) money placed into a business by someone wanting to invest in what is likely to be a growing business?

DELIVERIES 

BOOTS CHEMIST	LAURA ASHLEY CLOTHES AND FURNITURE	MOUNTAIN WAREHOUSE CAMPING GOODS	COSTA COFFEE SHOP	JJB SPORTS GOODS	CERI'S SOFA STORE
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SERVICE ROAD



CAR PARK

PAVEMENT

• **BUS STOP**

MAIN ROAD

• **BUS STOP**

- 7. Coed Deri Shopping Centre is on the outskirts of a town. It is situated at the edge of an industrial estate which has offices and workshops. Close by is a leisure centre and within half a mile is a traditional local shopping area.**

Opposite is a map of the Coed Deri Shopping Centre.

Ceri's Sofa Store was recently set up by Ceri Thomas who had been made redundant by a town centre department store.

7(a) Suggest and explain TWO reasons why Ceri might want to set up her own business. [4]

(i)

7(a)(ii)

7(b) Outline TWO of the benefits Ceri might gain from the location of her business in Coed Deri Shopping Centre. [4]

(i) _____

7(b)(ii)

7(c) Explain ONE possible disadvantage Ceri's Sofa Store may face in this location. [2]

Ceri's Sofa Store will need to promote the business to attract customers.

7(d) Other than advertising, suggest TWO promotional methods Ceri could use to attract customers to the store. [2]

(i) _____

(ii) _____

8. **Dyson Ltd is a British technology company founded in 1993 by James Dyson. The business designs and manufactures vacuum cleaners, hand dryers and other electrical products.**

(a) What type of business is Dyson Ltd?
[1]

Tick ONE box only.

PARTNERSHIP	
PRIVATE LIMITED COMPANY	
PUBLIC LIMITED COMPANY	
SOLE TRADER	

The company prides itself on engineering products which work in different and better ways than those of their competitors.

Much of the design work of Dyson Ltd is carried out in its offices in Wiltshire. This relies heavily on the use of Computer Aided Design (CAD). Similar technologies are used in Dyson Ltd factories in Asia where Computer Aided Manufacture (CAM) is used.

8(b) Outline how firms such as Dyson Ltd benefit from using CAD and CAM.

[4]

Dyson Ltd products are found in many homes, shops, restaurants and offices.

8(c) Which type of production – job, batch or flow – is Dyson likely to use in the manufacture of its products? Explain your answer. [3]

Type of production

Explanation

The Dyson brand is very important to James Dyson. He has gone to great efforts to protect his brand and technologies.

8(d)(i) What is meant by the term brand?

[1]

(ii) Why do businesses such as Dyson Ltd brand their products? [3]

36

	APR	MAY	JUN	JUL	AUG	SEPT
RECEIPTS	£	£	£	£	£	£
Turnover	4 000	2 000	?	7 000	10 000	5 000
PAYMENTS						
Fuel	400	300	400	1 000	?	700
Wages	2 000	2 000	2 000	3 000	4 000	1 500
Advertising	100	100	100	200	200	100
Insurance	100	100	100	100	100	100
Other costs	100	0	100	200	400	100
TOTAL PAYMENTS	2 700	2 500	2 700	4 500	6 100	2 500
Net cash flow	1 300	-500	1 300	2 500	3 900	2 500
Opening bank balance	4 000	5 300	4 800	6 100	8 600	12 500
Closing bank balance	5 300	4 800	6 100	8 600	12 500	15 000

9. **Hugh Lewis operates boat trips during the summer months in Cardigan Bay. He wants to borrow money from the bank to buy an additional boat. The bank has asked to see his cash flow forecast to help make their decision on whether or not to lend the money.**

Opposite is a copy of a cash flow forecast Hugh Lewis produced for the bank.

- (a) What is a cash flow forecast? [2]**

9(b) Calculate the estimated [2]

(i) turnover for June;

(ii) fuel payment for August.

9(c) Why is a cash flow forecast important to Hugh Lewis' bank? [2]

9(d)(ii) Another event that could affect cash flow.

10. Judith Moore has a medium sized business cleaning ovens, called CookerClean. She runs her business from a small office located on an industrial estate where she employs three workers.

A pay slip for one of her workers, Walter Rose, is shown opposite.

(a) How much did Walter Rose earn as (i) Gross Pay and (ii) Net Pay? [2]

(i) Gross Pay _____

(ii) Net Pay _____

10(b) Income tax is collected using a system called PAYE. What do these initials stand for? [1]

Judith Moore has found that the demand for her service has greatly increased. She has decided to employ three additional workers. She has asked applicants for references.

10(c) What are references and why are they important in the recruitment process? [4]

10(d) Having decided which people to appoint, Judith needs to communicate with the successful candidates. Recommend ONE suitable form of communication Judith could use and explain the reason for your choice. [3]

Recommendation

Reason
