



**BUSINESS AND MANAGEMENT  
STANDARD LEVEL  
PAPER 1**

Tuesday 20 May 2003 (afternoon)

1 hour 30 minutes

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**INSTRUCTIONS TO CANDIDATES**

- Do not turn over this examination paper until instructed to do so.
- Read the case study carefully and then answer all the questions.

1. (a) What is meant by the term high staff turnover in relation to *Rainbow Club Ltd*? [3 marks]
- (b) Discuss the possible consequences of a 30 % turnover of staff at *Rainbow Club Ltd*. [5 marks]
- (c) Evaluate methods by which the present high staff turnover at *Rainbow Club Ltd* may be reduced. [10 marks]
2. Identify **two** pressure groups in the case study and evaluate to what extent each of these pressure groups can influence decision making in *Rainbow Club Ltd*. [10 marks]
3. (a) Using relevant examples from the case study, explain the difference between advertising and public relations. [4 marks]
- (b) Assume you are working for *Target Data* and have been asked to advise Nancy Swale on future marketing and growth strategies for *Rainbow Club Ltd*.
- Using Ansoff's Grid **and/or** similar marketing tools, prepare a marketing plan to encourage more individuals and groups to support the *Rainbow Raiders* and to raise the profile of *Rainbow Club Ltd* in the community. [12 marks]
4. (a) Significant finance is raised from merchandising. Explain why the mark-up on replica shirts can be so high and discuss why this mark-up is expected to increase further when the deal with *DQ Sports Inc* is concluded. [6 marks]
- (b) Suggest and evaluate possible sources of finance to fund the future expansion of *Rainbow Club Ltd*. [10 marks]
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