



BUSINESS AND MANAGEMENT STANDARD LEVEL PAPER 1

Wednesday 21 May 2014 (afternoon)

1 hour 15 minutes

INSTRUCTIONS TO CANDIDATES

- Do not open this examination paper until instructed to do so.
- A clean copy of the **Business and Management** case study is required for this examination paper.
- Read the case study carefully.
- Section A: answer two questions.
- Section B: answer the compulsory question.
- A calculator is required for this examination paper.
- A clean copy of the **Business and Management** formulae sheet is required for this examination paper.
- The maximum mark for this examination paper is [50 marks].

SECTION A

Answer two questions from this section.

1.	(a)	Define the following terms:	
		(i) primary sector (line 2)	[2 marks]
		(ii) dividends (line 23).	[2 marks]
	(b)	Explain one advantage and one disadvantage for Martin Kimathi of receiving "a salary based on performance-related pay" (<i>line 45</i>).	[4 marks]
	(c)	Analyse the advantages and disadvantages for <i>The Imperial</i> of the strategic alliance with <i>KenSafar</i> (Option 3).	[7 marks]
2.	(a)	Define the following terms:	
		(i) appraisal (line 102)	[2 marks]
		(ii) dismissal (line 113).	[2 marks]
	(b)	Martin Kimathi prepares two types of final accounts for <i>Global Properties (GP)</i> : profit and loss accounts and balance sheets. Explain the importance of those two types of final accounts for <i>GP (lines 69–70)</i> .	[4 marks]
	(c)	Analyse the impact that one opportunity and one threat may have on <i>The Imperial</i> .	[7 marks]
3.	(a)	Describe how a hotel such as <i>The Imperial</i> combines human resources, physical resources and financial resources for its business activity.	[4 marks]
	(b)	Explain two benefits for Martin Kimathi of conducting a marketing audit (line 59).	[4 marks]
	(c)	Using examples of migrant workers (such as Jomo Kimathi, Martin Kimathi and Craig Chapman), analyse the significance of changes in domestic and international labour mobility.	[7 marks]

SECTION B

Answer the compulsory question from this section.

Outline **one** possible area of conflict between **two** internal stakeholders of 4. (i) (a) The Imperial. [2 marks]

Identify **two** fixed costs for *The Imperial (line 146)*. (ii)

[2 marks]

Explain the value of the Ansoff matrix as a decision-making tool for Martin Kimathi to choose between Options 1, 2 and 3.

[4 marks]

(c) Explain how being empowered by Martin Kimathi can positively affect the job satisfaction, motivation and productivity of the employees at The Imperial (line 90).

[4 marks]

Evaluate the effectiveness of Susan Chapman's and Martin Kimathi's leadership (d) styles, and their implications for The Imperial.

[8 marks]

Additional information

There is no additional information in this paper for Sections A and B.