

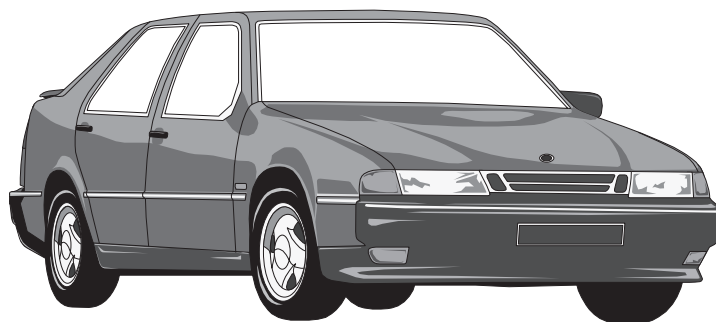
Read this page, then answer the questions which follow.

Context

Comet Cars plc (CC plc) is a manufacturer of cars. The Head Office and one of its factories are located in the city of Bristol (UK). There are two other UK factories in Coventry and Wolverhampton.

There are many car manufacturers in Europe and the rest of the world. This means that *CC plc* has to survive and operate in a very competitive market. As a result, the directors of *CC plc* realise that the company must produce a quality range of cars in order to stay competitive with other manufacturers.

The directors realise how important it is to keep making and selling new cars that appeal to customers.



Answer ALL questions.

1. *CC plc* is in the secondary sector of the UK economy.

(a) What is meant by secondary sector?

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(2)

(b) (i) Which **two** types of business in the **tertiary** sector could *CC plc* trade with?

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(2)

(ii) For each type of business named in (i), give **one** example of how *CC plc* will trade with it.

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(2)



The directors of *CC plc* have set objectives for the company.

(c) (i) State why it is important for a business such as *CC plc* to set business objectives.

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(2)

(ii) From the list below, select the **two** objectives that *CC plc* is **most likely** to set.

Tick **two** boxes.

- To cut the costs of making each car.
- To sell cars at a financial loss.
- To make cars with fewer safety features.
- To pay higher rates of interest on money borrowed.
- To have an effective marketing strategy.
- To stop making spare parts for each car.

(2)



(d) (i) Name **one** Act of Parliament or other law that affects the work of *CC plc*.

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(1)

(ii) Consider how this Act of Parliament or other law will affect the work of *CC plc*.

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(5)

(iii) Analyse **one** way, other than through Acts of Parliament, that the UK Government affects the work of *CC plc*.

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(4)

(Total 20 marks)

Q1



2. *CC plc*'s Personnel (Human Resources) Department is based at its Bristol Head Office. Employees of the Personnel Department need to communicate with other employees in *CC plc* factories in the UK. Two situations are as follows.

Situation A

Jas works in the Personnel Department. She wants to know the overtime hours for 30 employees at the Wolverhampton factory, which is 150 kilometres away. Jas needs this information the same day so she can calculate their wages without delay.

Situation B

Efrem works in the Personnel Department. He must contact Gill who works in the Coventry factory, which is 120 kilometres away. Efrem needs to explain an error he has found in Gill's contract of employment.

- (a) (i) Why would email be a suitable method of communication for **Situation A**?

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(2)

- (ii) Why would the telephone be a suitable method of communication for **Situation B**?

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(2)



The directors of *CC plc* want all employees to be highly motivated. They believe that high rates of pay and the use of bonuses will motivate all employees.

(b) Analyse whether Abraham Maslow's theory of motivation supports the directors' belief that high rates of pay will fully motivate all employees.

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(6)

The directors of *CC plc* have recently bought some new machines for the factories. They hope these machines will increase productivity at *CC plc*.

(c) (i) Analyse how using the new machines is likely to increase productivity at *CC plc*.

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(3)

(ii) Show how the directors can measure whether productivity has increased.

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(2)



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CC plc uses a quality control system. One director believes that the quality control system guarantees that all cars made by *CC plc* will be of good quality.

(d) Assess whether the director is right to believe that the quality control system guarantees that all cars made by *CC plc* will be of good quality.

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(5)

Q2

(Total 20 marks)

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3. The directors of *CC plc* want to introduce a new range of cars. These cars will be at the luxury end of the market, and will be competing with expensive and popular cars manufactured by other companies.

Employees in *CC plc*'s Marketing Department at Head Office will need to decide on a suitable pricing strategy for the new luxury car range. They can select from the following strategies.

- Cost plus
- Penetration

- (a) Analyse which of these pricing strategies *CC plc* should use for the new luxury car range.

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(5)



One director wants to promote the new luxury range using persuasive advertising methods. Another director would prefer to use informative advertising to promote the new range.

(b) Discuss how persuasive **and** informative advertising can both be suitable methods to use in this situation.

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(5)



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