

Answer ALL the questions.

1. Two descriptions of ratios used in business are given below.

(a) (i) For each description, name the ratio.

‘The profit made by a business as a percentage of the money invested in it.’

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‘A measure of the money a business has immediately available to pay off its debts.’

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(2)

(ii) Name **three other** ratios that a business could use to measure its performance.

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(3)



Sereena has left her previous job in a small business with 10 employees. Sereena's new job is with a large business that has 620 employees. Sereena will work as an administrator and receive induction training from her employer.

(b) What would be the benefits to Sereena **and** her employer of induction training?

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(5)

The number of people visiting China has increased dramatically. In 1996, there were 51 million visitors. By 2006 this had increased to 205 million visitors. Part of this increase can be explained by tourist attractions such as the Great Wall of China, the Terracotta Army and the Olympic Games in 2008.

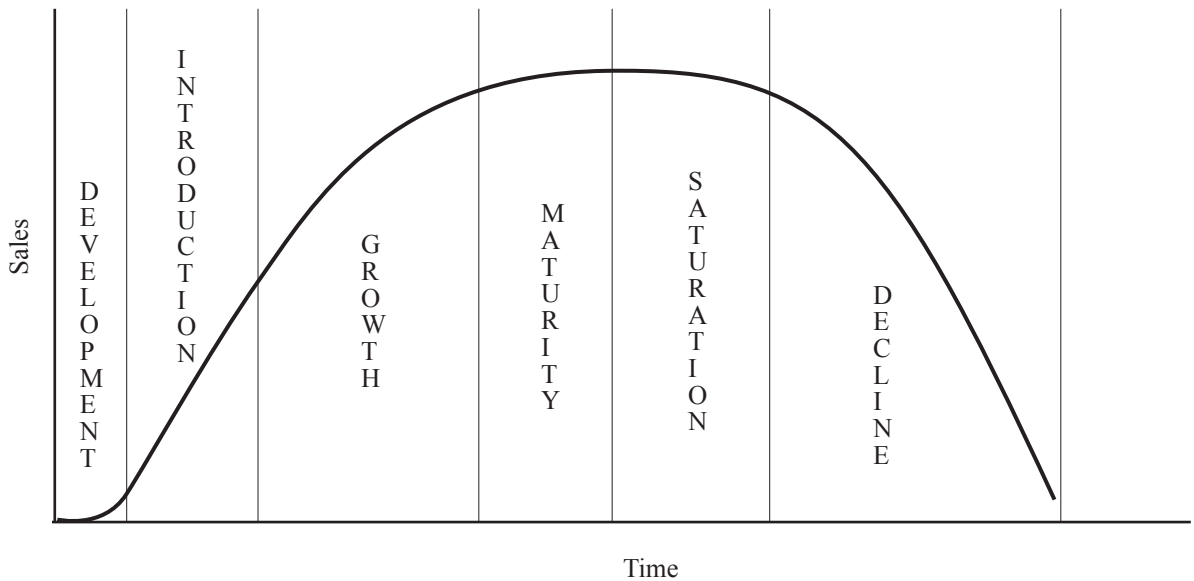
(c) Analyse the increase in tourists in terms of the market segments of age and income.

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(5)



A product life cycle shows the progress of a product.



(d) Discuss how any **two** stages of the product life cycle could be used to make decisions about the marketing mix for a product.

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(5)

(Total 20 marks)

Q1

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2. In the table below are economies and diseconomies of scale.

(a) Against each item below, indicate with a cross (☒) whether it is an economy of scale or a diseconomy of scale. If you change your mind about an answer, put a line through the box (☒) and then indicate your new answer with a cross (☒).

Item	Economy of scale	Diseconomy of scale
Large bureaucracy	<input type="checkbox"/>	<input type="checkbox"/>
Financial	<input type="checkbox"/>	<input type="checkbox"/>
Poor communication	<input type="checkbox"/>	<input type="checkbox"/>
Labour availability	<input type="checkbox"/>	<input type="checkbox"/>
Managerial	<input type="checkbox"/>	<input type="checkbox"/>

(5)



In the last 30 years, communications used in business have increasingly been by electronic methods. However, these methods have not completely replaced traditional paper-based methods such as letters and notices.

(b) Why do paper-based methods continue to be used by businesses today for internal and external communication?

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(5)

All public limited companies must publish final accounts and make them available to the public.

(c) Discuss **two** groups of people who would be interested in published final accounts.

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(5)



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