

FOR OFFICIAL USE

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G

KU DM

Total

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4200/402

NATIONAL
QUALIFICATIONS
2007

MONDAY, 14 MAY
10.20 AM – 11.35 AM

**BUSINESS
MANAGEMENT
STANDARD GRADE**
General Level

Fill in these boxes and read what is printed below.

Full name of centre

Town

Forename(s)

Surname

Date of birth

Day Month Year

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Scottish candidate number

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Number of seat


- 1 Read each question carefully.
- 2 Attempt **all** the questions.
- 3 All answers are to be written in this answer book.
- 4 Do **not** write in the margins.
- 5 Before leaving the examination room you must give this book to the invigilator. If you do not, you may lose all the marks for this paper.



Marks

KU	DM
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1. Study the information below and then answer the questions that follow.

<p> GREGGS</p> <p>Greggs plc has as one of its aims to be Europe's finest bakery by providing quality goods and services to customers. Their purpose is "the growth of our business for the benefit and enjoyment of all our stakeholders".</p> <p>People are very important to them and whenever possible recruitment for promoted posts is done internally.</p> <p style="text-align: right;">Adapted from Greggs website</p>
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(a) Explain the terms:

goods _____

services _____

2

(b) Suggest and justify **2** ways in which Greggs plc could grow in size. Give **2 different** justifications.

Suggestion 1 _____
Justification _____

Suggestion 2 _____
Justification _____

4

(c) Give **2** reasons why Greggs plc may **want** to grow in size.

1 _____

2 _____

2

<i>Marks</i>	KU	DM
3		
2		
1		
2		

1. (continued)

(d) Identify **3** possible **stakeholders** in Greggs plc.

- 1 _____
- 2 _____
- 3 _____

(e) Give **2** possible **reasons** why Greggs plc may prefer to recruit internally.

- 1 _____

- 2 _____

(f) (i) Suggest **one** method Greggs plc could use to recruit externally.

(ii) Give **one advantage** and **one disadvantage** of this method of recruitment.

Advantage _____

Disadvantage _____

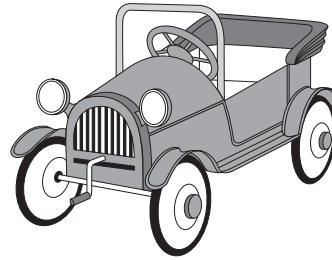
[Turn over

Marks

KU	DM
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2. Study the information below and then answer the questions that follow.

Malik Co Ltd manufactures toy cars. Below is a table showing its fixed costs and variable costs of production.



COSTS OF PRODUCTION		
Output	Fixed Costs	Variable Costs
1000	10,000	30,000
2000	10,000	45,000
3000	10,000	60,000
4000	10,000	70,000

(a) Explain the terms:

(i) Fixed Costs _____

(ii) Variable Costs _____

2

(b) Give an example for Malik Co Ltd of:

(i) A Fixed Cost _____

(ii) A Variable Cost _____

2

(c) What **sector of industry** does Malik Co Ltd operate in?

1

(d) Name **one other** sector of industry.

1

[Turn over for Question 3 on *Page six*

Marks

KU	DM
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3. Study the information below and then answer the questions that follow.

<p>Island Bakery Organics is a small family run business on the Isle of Mull. The business makes a range of organic biscuits using as little mechanisation as possible and then distributes them across the country. They are planning a number of new product launches over the next 12 months using television advertising and in-store sampling of their products.</p> <p>They are also designing new packaging for their products as they feel this is important in attracting customers.</p> <p>Adapted from www.islandbakery.co.uk</p>	 
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(a) Explain the term **mechanisation**.

1

(b) Suggest **2 reasons** why the business uses as little mechanisation as possible in their production process.

Reason 1 _____

Reason 2 _____

2

Marks

	KU	DM
4		
1		
2		

3. (continued)

- (c) Other than using new packaging, suggest and justify **2 ways** in which new customers could be attracted. Give 2 **different** justifications.

Suggestion 1 _____

Justification _____

Suggestion 2 _____

Justification _____

- (d) Identify a suitable **channel of distribution** which Island Bakery Organics could use to get their products to customers.

- (e) Suggest **2 possible reasons** why Island Bakery Organics may have decided to locate on the Isle of Mull.

1 _____


2 _____

[Turn over

Marks

KU	DM
----	----

4. Study the information below and then answer the questions that follow.

	<p>Robbie Williams owns one, Posh and Becks have his 'n her models—the iPod!</p> <p>An innovation from Apple is the iPod nano which, as well as letting you download up to 10,000 songs from the Internet, is now as thin as a pencil.</p>
iPod	

(a) Explain the term **innovation**.

1

(b) Suggest and justify **one market segment** which Apple may be targeting with the iPod nano.

Market Segment _____

Justification _____

2

(c) Identify **2 external influences** which could affect sales of the iPod nano.

1 _____

2 _____

2

<i>Marks</i>	KU	DM
4		
2		

4. (continued)

(d) Suggest and justify **2 methods of communication** which Apple **employees** could use world wide. Give **2 different** justifications.

Method 1 _____

Justification _____

Method 2 _____

Justification _____

(e) Apple uses television advertising. Suggest **2 reasons** why they use this form of advertising.

1 _____

2 _____

[Turn over

Marks

KU	DM

5. Study the information below and then answer the questions that follow.

LOCH FYNE



Loch Fyne Oysters started out as a small oyster farm and has now grown to be the largest producer of oysters in the UK. The company has grown to include a smokehouse, an oyster bar, restaurant and shop. Ordering can now be done on-line. Further diversification is planned.

Relief of poverty, providing education and protection of the environment are also very important at Loch Fyne Oysters.

Adapted from www.lochfyne.com

- (a) Explain the term **diversification**.

1

- (b) Suggest **2** reasons why Loch Fyne Oysters may have decided to diversify.

1

2

2

- (c) Suggest **2 advantages** to Loch Fyne Oysters of allowing customers to order on-line.

1

2

2

Marks

KU	DM
1	
2	

5. (continued)

(d) Give **one benefit** to Loch Fyne Oysters of being involved in protecting the environment.

(e) Suggest **2 ways** in which Loch Fyne Oysters can help protect the environment.

1 _____


2 _____

[Turn over

Marks

KU	DM
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6. Study the information below and then answer the questions that follow.

<p>Gordon Deuchars started G.A. Engineering with the support of the Prince's Trust and it is now one of the leading engineering companies working in the North of Scotland.</p> <p>People are important to Gordon. He values the opinions of all employees and consults with them in making decisions. All recruitment procedures are followed and every employee receives a contract of employment.</p> <p style="text-align: center;">Adapted from Prince's Trust website</p>	 <p style="text-align: center;">Prince's Trust</p>
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(a) Suggest 2 ways in which the Prince's Trust may have helped Gordon Deuchars start his business.

1 _____

2 _____

(b) Identify the **style of management** being used at G.A. Engineering.

(c) Name and describe **another** style of management.

Style of management _____

Description _____

2

1

2

<i>Marks</i>	KU	DM
2		
2		

6. (continued)

(d) Apart from your Job Title, name **2** items which would appear on a Contract of Employment.

1 _____

2 _____

(e) When recruiting staff, G.A. Engineering prepares a Job Description. Identify **2 pieces of information** contained in a Job Description.

1 _____

2 _____

[END OF QUESTION PAPER]

ACKNOWLEDGEMENTS

Question 1 – Logo and article are adapted from www.greggs.co.uk. Reproduced by kind permission of Greggs plc.

Question 3 – Logo, picture and article are adapted from www.islandbakery.co.uk
Reproduced by kind permission of Island Bakery Organics.

Question 4 – Drawing of iPod and iPod Nano. Permission sought from Apple.

Question 5 – Photograph and article are adapted from www.lochfyne.com. Reproduced by kind permission of Loch Fyne Oysters Ltd.

Question 6 – Logo and article are adapted from www.princes-trust.org.uk. Reproduced by kind permission of The Prince's Trust.