

FOR OFFICIAL USE

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KU DM

Total

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# 4200/402

NATIONAL  
QUALIFICATIONS  
2010

FRIDAY, 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.



1.

Carla and her brother Fabio always wanted to be entrepreneurs. They decided to go into partnership opening a children's nursery in Peebles. Before going into business they carried out market research. They decided that all communication with parents would be either by e-mail or mobile phone.



Marks	KU	DM
2		
2		
1		
2		

(a) Suggest **2** skills or qualities that an entrepreneur might have.

1 \_\_\_\_\_

2 \_\_\_\_\_

(b) Give **2** advantages of a Partnership.

1 \_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_

(c) Suggest **one** market segment which Carla and Fabio will target.

\_\_\_\_\_

(d) Suggest **2** reasons why Carla and Fabio carried out market research before starting their business.

1 \_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_

**1. (continued)**

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

(e) (i) Suggest and justify **one** source of finance for Carla and Fabio when starting their business.

Suggestion \_\_\_\_\_

Justification \_\_\_\_\_

\_\_\_\_\_

(ii) Identify **2** sources of advice available to business start-ups.

1 \_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_

(f) (i) Describe **one** problem of using e-mail to communicate.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(ii) Suggest **one** advantage of using a mobile phone to communicate.

\_\_\_\_\_

\_\_\_\_\_

**[Turn over**

2.



Stewarts of Tayside Ltd specialise in growing strawberries and raspberries. All fruit is hand picked using as little mechanisation as possible. The business is committed to caring for the environment.

*Adapted from Stewarts of Tayside Ltd website*

Marks	KU	DM
	1	
2		
2		
2		

(a) Identify the sector of industry which Stewarts of Tayside Ltd operates in.

\_\_\_\_\_

(b) All fruit is hand picked, using as little mechanisation as possible. Give **one** advantage and **one** disadvantage of mechanisation.

Advantage \_\_\_\_\_

\_\_\_\_\_

Disadvantage \_\_\_\_\_

\_\_\_\_\_

(c) Suggest **2** channels of distribution which a business could use to get their products to the market.

1 \_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_

(d) Give **2** ways Stewarts of Tayside Ltd could care for the environment.

1 \_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**[Turn over for Question 3 on *Page six***

3. Marks and Spencer plc believe that people are important to their success and use a Democratic Style of Management.

Marks

KU DM



**STORE MANAGER**

Required for Argyle Street Branch, Glasgow

Permanent Contract

Salary £35,000 – £45,000

Responsible for managing a team of Section Managers

Apply on-line for application form, job description and person specification

*Adapted from Marks and Spencer website*

(a) Suggest **2** places Marks and Spencer plc could advertise this job.

1 \_\_\_\_\_

2 \_\_\_\_\_

**2**

(b) Identify **2** features of a public limited company (plc).

1 \_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_

**2**

**3. (continued)**

<i>Marks</i>		KU	DM
<b>1</b>	(c) Explain the term Democratic Style of Management.		
<b>2</b>	(d) Name and describe another style of management.		
	Style of Management _____		
	Description _____		
<b>1</b>	(e) Identify one feature of a Permanent Contract.		
<b>3</b>	(f) (i) Identify <b>3</b> pieces of information contained in a Job Description.		
	1 _____		
	2 _____		
<b>2</b>	(ii) Identify <b>2</b> pieces of information contained in a Person Specification.		
	1 _____		
	2 _____		

**[Turn over**

4. Study the Cash Budget below and then answer the questions which follow.

Marks 

KU	DM
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**Cash Budget of Shareen Patel  
for 3 months January – March 2010**

	January (£)	February (£)	March (£)
<b>Opening Balance</b>	1,000	?	3,500
<b>Cash In</b>			
Sales	<u>12,000</u>	<u>11,500</u>	<u>11,000</u>
	13,000	14,500	14,500
<b>Cash Out</b>			
Raw Materials	7,000	8,000	8,500
Wages	1,000	1,000	1,000
Rent	1,200	1,200	1,200
Heating/Lighting/Gas/Telephone	800	800	800
Purchase of new vehicle	<u>0</u>	<u>0</u>	<u>10,000</u>
	10,000	11,000	21,500
<b>Closing Balance</b>	<u>3,000</u>	<u>3,500</u>	<u>(7,000)</u>

(a) (i) State the opening balance in February.

\_\_\_\_\_

1

(ii) Explain what has happened to the closing balance in March.

\_\_\_\_\_

1

(b) Suggest 2 ways Shareen Patel could increase sales.

1 \_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_

2



4. (continued)

<i>Marks</i>	KU	DM
<b>4</b>		
<b>1</b>		
<b>2</b>		

(c) Suggest and justify **2** ways Shareen Patel could reduce Cash Out.  
**You should use a different justification for each suggestion.**

Suggestion 1 \_\_\_\_\_

\_\_\_\_\_

Justification \_\_\_\_\_

\_\_\_\_\_

Suggestion 2 \_\_\_\_\_

\_\_\_\_\_

Justification \_\_\_\_\_

\_\_\_\_\_

(d) (i) Give **one** reason why Shareen Patel has prepared a Cash Budget.

\_\_\_\_\_

\_\_\_\_\_

(ii) Suggest a software application that could be used to prepare a Cash Budget and suggest **one** advantage of using this package.

Software application \_\_\_\_\_

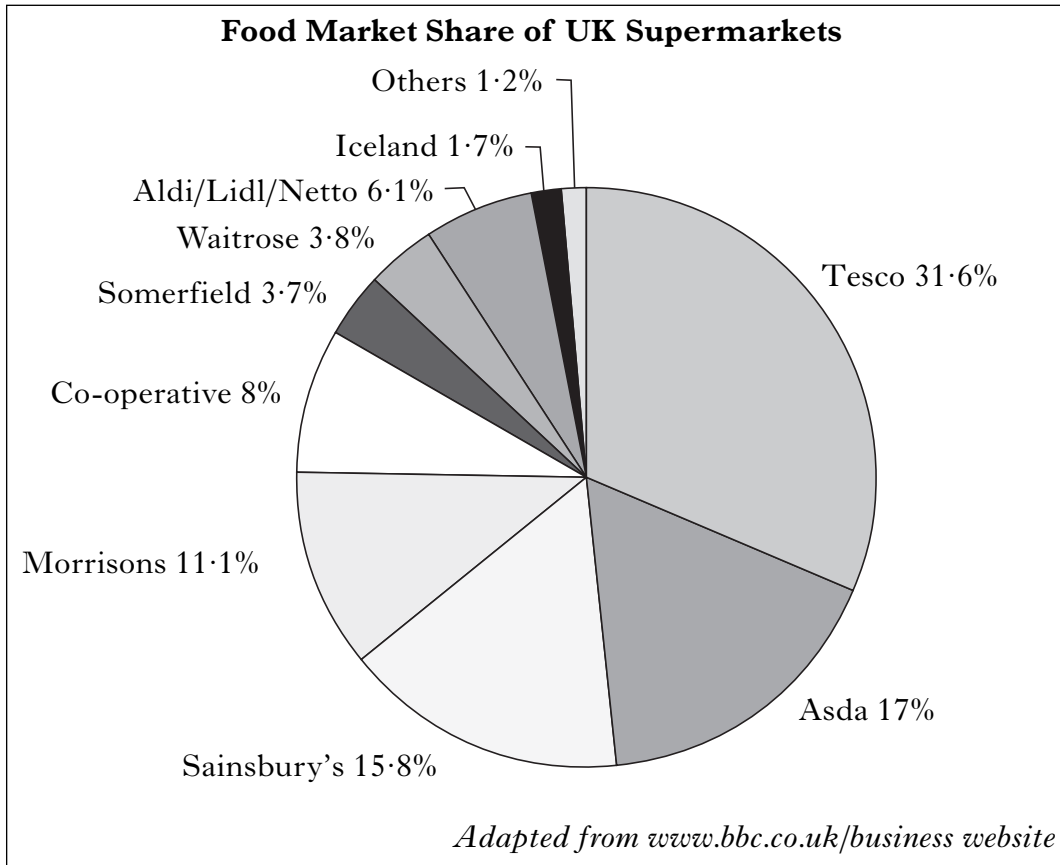
Advantage \_\_\_\_\_

\_\_\_\_\_

**[Turn over**

5. During 2008, discount supermarkets saw sales grow. Aldi, Lidl and Netto saw their market share rise to 6·1%—their best ever result. This trend is set to continue as Aldi and Lidl both have plans to expand across the UK.

Marks



(a) Explain the term market share.

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1

(b) (i) From the above chart, identify the supermarket with the highest market share.

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1

(ii) From the above chart, identify the market share held by Morrisons.

---

1

**5. (continued)**

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

(c) Other than price, suggest **3** reasons why people choose to shop in a particular supermarket.

Suggestion 1 \_\_\_\_\_

\_\_\_\_\_

Suggestion 2 \_\_\_\_\_

\_\_\_\_\_

Suggestion 3 \_\_\_\_\_

\_\_\_\_\_

(d) Suggest **2** reasons why Aldi and Lidl want to expand across the UK.

1 \_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_

**[Turn over**

6.

## Coca-Cola

Coca-Cola in East Kilbride has one of the most modern continuous flow bottling plants in the UK. They produce millions of cases of soft drinks a year. As part of their Mission Statement, they always try to satisfy customer's needs, as well as providing a great place for their employees to work.

*Adapted from Coca-Cola website*

	<i>Marks</i>	KU	DM
(a) Explain the term continuous flow production.	1		
(b) Suggest one advantage and one disadvantage of continuous flow production to Coca-Cola.	1		
(i) Advantage _____	1		
(ii) Disadvantage _____	1		
(c) Explain the purpose of a Mission Statement.	1		
(d) Suggest 2 ways Coca-Cola can satisfy the needs of their customers.	2		
Suggestion 1 _____			
Suggestion 2 _____			

**6. (continued)**

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

(e) Suggest **2** ways a business can motivate its employees.

1 \_\_\_\_\_  
\_\_\_\_\_

2 \_\_\_\_\_  
\_\_\_\_\_

*[END OF QUESTION PAPER]*

## ACKNOWLEDGEMENTS

Question 2—Photos and information are taken from Stewarts of Tayside website. Reproduced by permission of Stewarts of Tayside Ltd.

Question 3—Information and logo are adapted from Marks and Spencer website. Reproduced by kind permission of Marks and Spencer plc.

Question 5—Information used in chart is adapted from “Discount supermarket sales rise” from *BBC News, Business, Wednesday 20 August 2008*. Reproduced by kind permission of BBC News (Business).

Question 6—Logo and information are adapted from Coca-Cola website. Reproduced by kind permission of Coca-Cola.

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