



2009 Business Management

Standard Grade – Foundation

Finalised Marking Instructions

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**2009 Business Management
Standard Grade – Foundation**

QUESTION 1		KU	DM
(a)	<p>Sir Alan Sugar employs an apprentice who is paid £100,000 a year.</p> <p>Suggest 2 reasons why people choose to work.</p> <p>Reasons</p> <ul style="list-style-type: none"> • earn money/earn wage/pay bills/make money • pay bills • to make friends/socialise • satisfy wants & needs • job satisfaction • to use their abilities and talents/learn new ones • job security. <p>Accept any 2.</p>	2	
(b)	<p>Identify 2 qualities or skills an employer would look for in a new employee.</p> <p>Qualities/skills</p> <ul style="list-style-type: none"> • good timekeeper/reliable • social (skills)/communication/polite • neat and tidy • honest/hardworking • good IT (skills) or other specific eg money. <p>Accept any 2.</p>	2	

		KU	DM
(c)	<p>Suggest one place where a job vacancy can be advertised.</p> <ul style="list-style-type: none"> • Job centre. • Newspaper. • Magazine. • School/College/University. • Shop window. • Internet website. • Radio TV. • Recruitment Fairs. • Buses/Taxis. <p>Accept any one.</p>	1	
(d)	<p>Suggest 3 separate pieces of information which could be contained in a job advertisement for the apprentice.</p> <ul style="list-style-type: none"> • Job title/type of work being advertised/duties. • Contact details (name/address/phone number/e-mail). • Experience. • Qualifications required. • Pay/salary. • Hours of work. • Holidays. • Location. <p>Accept any 3.</p>		3

		KU	DM										
(e)	<p>From the following, identify 2 documents used during the recruitment and selection process.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Tick (✓) the correct answer</th> </tr> </thead> <tbody> <tr> <td>Business Plan</td> <td></td> </tr> <tr> <td>Application Form</td> <td style="text-align: center;">✓</td> </tr> <tr> <td>Interview Checklist</td> <td style="text-align: center;">✓</td> </tr> <tr> <td>Cash Budget</td> <td></td> </tr> </tbody> </table> <p>If 3 or 4 points are ticked – no marks awarded.</p>		Tick (✓) the correct answer	Business Plan		Application Form	✓	Interview Checklist	✓	Cash Budget		2	
	Tick (✓) the correct answer												
Business Plan													
Application Form	✓												
Interview Checklist	✓												
Cash Budget													
(f)	<p>Name the type of training given to new employees.</p> <ul style="list-style-type: none"> • Induction. • Accept Introductory or Introduction training. <p>NOT – on the job/off the job or Apprentice.</p>	1											

QUESTION 2	KU	DM
<p>(a) Allan McLaughlin is one of Scotland’s successful young entrepreneurs. He sells male beauty products from the TV shopping channel QVC.</p> <p>Suggest 2 sources where Allan McLaughlin could get advice for his business.</p> <ul style="list-style-type: none"> • Bank. • The Prince’s Trust. • Friends or family. • Other business. • Business Gateway. • QVC. • Internet websites/books. • Business Management teacher. • Market research/customers/public. <p>NOT – Citizen’s Advice Bureau/Careers Scotland. Accept any 2.</p>		2
<p>(b) Allan McLaughlin completed a Business Plan before setting up his business.</p> <p>Suggest one reason for Allan McLaughlin preparing a Business Plan.</p> <ul style="list-style-type: none"> • To get a loan. • To check/monitor. • To plan. • To reduce risk. <p>Accept any one.</p>		1

		KU	DM
(c)	<p>Other than on TV, suggest 2 ways that a business could sell its products.</p> <ul style="list-style-type: none"> • Shop. • Newspaper/magazine/radio – accept only one. • Mail order/catalogue. • Market stall. • Internet website/e-commerce/online. • Phone/call centre. • Door-to-door. <p>Accept any 2.</p> <p>Do not accept advertising.</p>		2
(d)	<p>Suggest 2 reasons why Allan McLaughlin’s products are popular.</p> <ul style="list-style-type: none"> • High quality. • Reasonable/cheap price. • Unique/lack of competition. • Good advertising. <p>NOT – because TV channel has many viewers/don’t have to go to shops.</p> <p>Accept any 2.</p>		2

QUESTION 3		KU	DM						
(a)	<p>The AA and SAGA agreed to join to become one large business.</p> <p>The type of growth shown above is:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Tick (✓) the correct answer</th> </tr> </thead> <tbody> <tr> <td>takeover</td> <td></td> </tr> <tr> <td>merger.</td> <td style="text-align: center;">✓</td> </tr> </tbody> </table>		Tick (✓) the correct answer	takeover		merger.	✓	1	
	Tick (✓) the correct answer								
takeover									
merger.	✓								
(b)	<p>Other than by joining with another business, suggest one other way a business can grow in size.</p> <ul style="list-style-type: none"> • Increase sales. • Employ more staff. • Open more outlets. • Diversify/sell more products. • Go Global. <p>NOT – vertical/horizontal integration or takeover. Accept any one.</p>	1							

		KU	DM
(c)	<p>Suggest 2 benefits of growth for AA or SAGA.</p> <ul style="list-style-type: none"> • More sales/revenue or money/customers. • More capital. • Specialisation. • More ideas. • Higher profits. • Better reputation/publicity. • Control of market. <p>Accept any 2. Accept the benefits of a merger.</p>		2

QUESTION 4

KU

DM

For many years a “nine-to-five” working day was the norm. Nowadays people are working different hours.

Match the following terms with the definitions shown below.

Use each term only once.

The first one has been done for you.

Full-time **Part-time** **Permanent**
Temporary **Flexi-time** **Job Share**

5

Definition	Term
Employment is for a short period.	<i>Temporary</i>
Employee has the job for as long as they want it.	Permanent
Employees choose the hours they work.	Flexi-time
Working “nine-to-five”.	Full-time
Working only mornings.	Part-time
Two employees sharing one job.	Job Share

QUESTION 5	KU	DM
<p>(a) The Highland council area ('Sgìre Comhairle na Gàidhealtachd' in Gaelic) is the largest local government area in Scotland.</p> <p>Suggest 2 different methods The Highland Council could use to communicate with its employees.</p> <ul style="list-style-type: none"> • Telephone. • Memo. • E-mail. • Text. • Meeting. • Web page. • Notice board. • Videoconferencing. • Radio. • TV. <p>Accept:</p> <ul style="list-style-type: none"> • Oral. • Written. • Visual. • Or pictorial. • Electronic. <p>Accept any 2.</p>		2
<p>(b) Give one reason why The Highland Council would want to communicate with their employees.</p> <ul style="list-style-type: none"> • Keep staff happy. • So staff know what is expected of them. • To keep staff up-to-date. • To get ideas from staff. <p>Accept any one.</p>		1

QUESTION 6	KU	DM						
(a)	<p>MARS made a decision to change its recipe in its chocolate bars.</p> <p>Suggest 2 risks MARS took when it changed its recipe for its chocolate bars.</p> <ul style="list-style-type: none"> • Customers would stop buying it/sales/profits would fall. • Bad publicity/lose reputation. • Rise in costs. • Change taste of chocolate. <p>Accept any 2.</p>	2						
(b)	<p>Study the pictures which show the input, process, output (IPO) system for MARS.</p> <p>Complete the table to identify which picture shows input, process or output.</p> <table border="1" data-bbox="272 1160 916 1467"> <tbody> <tr> <td data-bbox="272 1160 577 1261">Picture A</td> <td data-bbox="580 1160 916 1261">process</td> </tr> <tr> <td data-bbox="272 1265 577 1366">Picture B</td> <td data-bbox="580 1265 916 1366">input</td> </tr> <tr> <td data-bbox="272 1370 577 1467">Picture C</td> <td data-bbox="580 1370 916 1467">output</td> </tr> </tbody> </table> <p>Accept 2-1-3</p> <p>Do not accept any other words.</p>	Picture A	process	Picture B	input	Picture C	output	3
Picture A	process							
Picture B	input							
Picture C	output							

		KU	DM										
(c)	<p>MARS is in the Private Sector. This means they aim to:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Tick (✓) the correct answer</th> </tr> </thead> <tbody> <tr> <td>make a profit</td> <td style="text-align: center;">✓</td> </tr> <tr> <td>not make a profit.</td> <td></td> </tr> </tbody> </table> <p>No marks if all boxes ticked.</p>		Tick (✓) the correct answer	make a profit	✓	not make a profit.		1					
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make a profit	✓												
not make a profit.													
(d)	<p>From the list below, choose 2 reasons why a business might locate where it does.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Tick (✓) the correct answer</th> </tr> </thead> <tbody> <tr> <td>Near a supply of skilled labour.</td> <td style="text-align: center;">✓</td> </tr> <tr> <td>Where costs of premises are high.</td> <td></td> </tr> <tr> <td>Good transport links.</td> <td style="text-align: center;">✓</td> </tr> <tr> <td>Far from its customer.</td> <td></td> </tr> </tbody> </table> <p>No marks if all boxes ticked.</p>		Tick (✓) the correct answer	Near a supply of skilled labour.	✓	Where costs of premises are high.		Good transport links.	✓	Far from its customer.		2	
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Near a supply of skilled labour.	✓												
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Good transport links.	✓												
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QUESTION 7		KU	DM						
(a)	<p>Another successful year for the Royal Bank of Scotland.</p> <p>Suggest 2 ways a business can measure success.</p> <ul style="list-style-type: none"> • Profit/finances. • Sales/demand/market share. • Happy customers/loyal customers/more customers/deposits. • Good reputation. • Using ratios/comparing final a/cs. • Employee satisfaction/turnover. • Achieving aims. <p>Accept any 2.</p>	2							
(b)	<p>The Royal Bank of Scotland sells insurance. This is an example of:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td>Tick (✓) the correct answer</td> </tr> <tr> <td>a good</td> <td></td> </tr> <tr> <td>a service.</td> <td style="text-align: center;">✓</td> </tr> </table>		Tick (✓) the correct answer	a good		a service.	✓	1	
	Tick (✓) the correct answer								
a good									
a service.	✓								

QUESTION 8

KU

DM

Identify each type of organisation from the following list.

The first one has been done for you.

Public Limited Company Private Limited Company
Partnership Charity Sole Trader

Use a different example for each one.

4

Organisation	Type of organisation
Baxter's Ltd	<i>Private Limited Company</i>
Marks and Spencer Plc	Public Limited Company
Sharon Brown Plumber	Sole Trader
World Wildlife Fund	Charity
Singh & Patel Florist	Partnership

QUESTION 9		KU	DM										
(a)	<p>Suggest a suitable software application that can be used to carry out the following tasks.</p> <p>Use a different software application for each task.</p> <table border="1" data-bbox="336 501 1035 1261"> <thead> <tr> <th>Task</th> <th>Software application</th> </tr> </thead> <tbody> <tr> <td>Carry out calculations and produce a graph</td> <td>Spreadsheet (Excel) Database</td> </tr> <tr> <td>Prepare a business letter</td> <td>Word processing (Word) Publisher</td> </tr> <tr> <td>Store names and addresses of customers</td> <td>Database/Spreadsheets/WP (Access) E-mail/Outlook</td> </tr> <tr> <td>Produce a presentation for a meeting</td> <td>PowerPoint Key Note Presentation</td> </tr> </tbody> </table>	Task	Software application	Carry out calculations and produce a graph	Spreadsheet (Excel) Database	Prepare a business letter	Word processing (Word) Publisher	Store names and addresses of customers	Database/Spreadsheets/WP (Access) E-mail/Outlook	Produce a presentation for a meeting	PowerPoint Key Note Presentation		4
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	KU	DM
<p>(b) Suggest one advantage and one disadvantage of using ICT in a business.</p> <p>Advantage: more accurate <u>than</u> staff/neater than scoring out data reduced space than filing cabinets quicker <u>than</u> staff professional saves costs of employees.</p> <p>Accept any 1.</p> <p>Disadvantage: purchase costs computer viruses need for training cost of updates computer can crash.</p> <p>Accept any 1.</p>	2	

QUESTION 10		KU	DM
(a)	<p>Below are the Sales and Costs of businesses A, B and C.</p> <p>Identify which business is making a loss in 2008.</p> <ul style="list-style-type: none"> • Business C 		1
(b)	<p>Identify which business is making the most profit in 2008.</p> <ul style="list-style-type: none"> • Business A 		1

QUESTION 11	KU	DM										
<p>(a) The Michelin factory in Dundee is saving costs by using wind turbines to produce electricity for its factory.</p> <p>Suggest 2 other ways Michelin could reduce costs.</p> <ul style="list-style-type: none"> • Make staff redundant/reduce wages/mechanisation/use robots. • Find cheaper supplier(s). • Switch off lights/use solar power. • Reduce waste in production/quality control. • Move to a cheaper location. • Reduce advertising. <p>Accept any 2. Accept any 2 examples of expenses. NOT 'reduce expenses' on its own.</p>		2										
<p>(b) The table below shows the Functional Areas.</p> <p>Complete the table by identifying one activity carried out in Finance and one activity in Human Resources.</p> <table border="1" data-bbox="336 965 1083 1906" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><i>Functional Area</i></th> <th style="text-align: center;"><i>Activity</i></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Marketing</td> <td style="text-align: center;"><i>Market Research</i></td> </tr> <tr> <td style="text-align: center;">Finance</td> <td>Paying bills/invoices/wages Preparing final accounts Budgets Accounts NOT 'Profit' or 'Money' or 'Calculating' on own</td> </tr> <tr> <td style="text-align: center;">Operations</td> <td style="text-align: center;"><i>Production</i></td> </tr> <tr> <td style="text-align: center;">Human Resources</td> <td>Recruitment/Hiring & Firing/Sacking Interviewing Training Staff Welfare Negotiating with TUs Dealing with Redundancies Appraisal Final A/cs eg TPL & BS NOT 'Employees'</td> </tr> </tbody> </table> <p>Accept any one for Finance and any one for Human Resources.</p>	<i>Functional Area</i>	<i>Activity</i>	Marketing	<i>Market Research</i>	Finance	Paying bills/invoices/wages Preparing final accounts Budgets Accounts NOT 'Profit' or 'Money' or 'Calculating' on own	Operations	<i>Production</i>	Human Resources	Recruitment/Hiring & Firing/Sacking Interviewing Training Staff Welfare Negotiating with TUs Dealing with Redundancies Appraisal Final A/cs eg TPL & BS NOT 'Employees'	2	
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Human Resources	Recruitment/Hiring & Firing/Sacking Interviewing Training Staff Welfare Negotiating with TUs Dealing with Redundancies Appraisal Final A/cs eg TPL & BS NOT 'Employees'											

QUESTION 12	KU	DM						
<p>(a) Black Eyed Peas singer Fergie signed a £2 million deal to advertise a clothing range called Candies. This is known as celebrity endorsement.</p> <p>Other than celebrity endorsement, suggest 2 ways that a business can advertise its products.</p> <ul style="list-style-type: none"> • In newspapers/magazines. • On the radio. • Billboards/posters. • Television. • Cinema. • Placement. • Sponsorship. • Internet website. <p>Accept any 2. NOT 'Sales Promotion' Methods such as BOGOF</p>		2						
<p>(b) In a recession sales will normally:</p> <table border="1" data-bbox="333 1193 794 1469" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Tick (✓) the correct answer</th> </tr> </thead> <tbody> <tr> <td>rise</td> <td></td> </tr> <tr> <td>fall.</td> <td style="text-align: center;">✓</td> </tr> </tbody> </table>		Tick (✓) the correct answer	rise		fall.	✓	1	
	Tick (✓) the correct answer							
rise								
fall.	✓							

[END OF MARKING INSTRUCTIONS]