



2011 Business Management

Standard Grade – Foundation


Finalised Marking Instructions

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QUESTION 1	KU	DM						
<p>Entrepreneur Competition</p> <p>Michelle Mone is looking for strong leaders in a Dragon’s Den type competition to attract new entrepreneurs.</p>  <p>Three successful entrepreneurs will win a shop unit at the Wellgate Shopping Centre in Dundee worth up to £250,000.</p> <p>(a) A leader who listens to staff is:</p> <table border="1" data-bbox="279 969 818 1198"> <thead> <tr> <th></th> <th>Tick (✓) the correct answer</th> </tr> </thead> <tbody> <tr> <td>a Democratic leader</td> <td>✓</td> </tr> <tr> <td>an Autocratic leader</td> <td></td> </tr> </tbody> </table>		Tick (✓) the correct answer	a Democratic leader	✓	an Autocratic leader		1	
	Tick (✓) the correct answer							
a Democratic leader	✓							
an Autocratic leader								
<p>(b) Other than strong leadership, identify 2 roles of an entrepreneur.</p> <ul style="list-style-type: none"> • Provide capital/finance/money. • Come up with an idea/develop an idea. • Take risks. • Decision maker. • Motivator. • Delegate. • Bring the other factors of production together. • Accept any answer which refers to qualities and skills <p>Accept any 2 – do not accept <u>leadership</u>.</p>	2							

		KU	DM
(c)	<p>One way for a business to measure success is the number of customers.</p> <p>Suggest 2 other ways of measuring success.</p> <ul style="list-style-type: none"> • Profit. • Money. • Sales. • Reputation. • Customer satisfaction/customer loyalty. • Number of outlets/size. • Staff retention/numbers. • Survival. • Providing a good quality product, etc. <p>Accept any 2 – do not accept <u>number of customers</u>.</p>		2
(d)	<p>Suggest two ways in which Michelle Mone could communicate with the new entrepreneurs.</p> <ul style="list-style-type: none"> • Meeting/face-to-face. • Video conferencing. • E-mails. • Phone calls. • Team building activities. • Appraisal. • Memo. • Letter. • Text message. • Social Networking eg Facebook, Twitter. • Presentation eg PowerPoint. • Paper etc.... <p>Accept electronic, written, verbal.</p> <p>Accept any 2</p>		2
(e)	<p>The entrepreneurs will complete a Business Plan when starting up.</p> <p>Give 2 headings which might appear in a Business Plan.</p> <ul style="list-style-type: none"> • Details about the business. • Product or service. • Marketing. • Human Resources. • Financial Information. • Production Details. <p>Accept any 2 pieces of information</p>	2	

Dream about setting up your own business?

Sisters Fleur and Abi did just that when they started a porridge-in-a-pot company called Grasshopper.



(a) **A business owned by 2 people is known as a:**

1

	Tick (✓) the correct answer
Sole Trader	
Partnership	✓



(b) **Fleur and Abi use organic ingredients.**


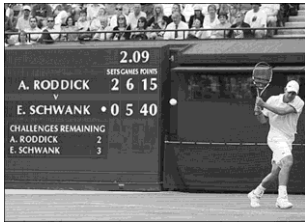
2

Suggest **2** other ways of improving the porridge.

- Make it healthier/nutritious (accept separate examples).
- Improving packaging.
- Staff training.
- Add ingredients (accept separate examples eg fruit/chocolate).
- Microwaveable.
- Environmentally friendly packaging.
- Accept any reference to quality ingredients or quality control.

Accept any 2.

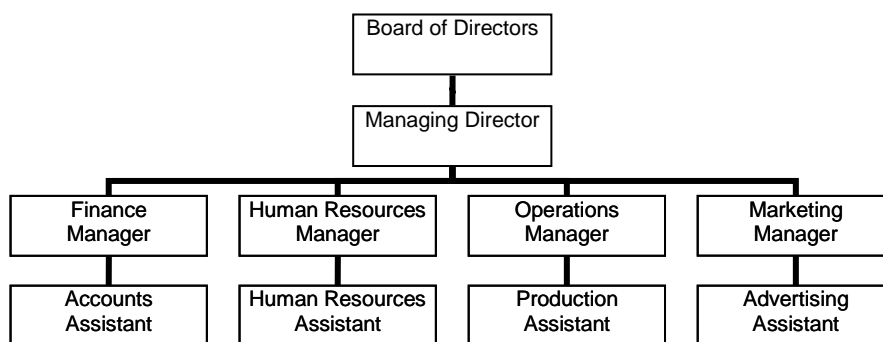
				KU	DM							
		Month 1	Month 2	Month 3								
		£	£	£								
	Opening Balance	0	-30,000	-55,000								
	Income	5,000	25,000	155,000								
		5,000	-5,000	100,000								
	Expenditure	35,000	50,000	75,000								
Closing Balance	-£30,000	-£55,000	£25,000									
(c)	From the Cash Budget above, identify the most successful month:				1							
	<table border="1"> <thead> <tr> <th></th> <th>Tick (✓) The correct answer</th> </tr> </thead> <tbody> <tr> <td>Month 1</td> <td></td> </tr> <tr> <td>Month 2</td> <td></td> </tr> <tr> <td>Month 3</td> <td>✓</td> </tr> </tbody> </table>		Tick (✓) The correct answer	Month 1		Month 2		Month 3	✓	 <p>grasshopper</p>		
	Tick (✓) The correct answer											
Month 1												
Month 2												
Month 3	✓											
(d)	Identify one possible effect of poor cash flow. <ul style="list-style-type: none"> • Run out of money. • Go bust/bankrupt. • Have to take a loan. • Not able to pay bills/expenses. • Not able to buy something. • Looks bad. • Negative balance. • Make staff redundant/pay-off staff. 				1							

QUESTION 3		KU	DM						
<p>(a)</p>	<p>Wimbledon is the oldest and most famous tennis tournament in the world.</p> <p>Over £12.5 million in prize money is awarded to players.</p>  <p>Suggest 3 ways in which sports like tennis, or football, can raise money.</p> <ul style="list-style-type: none"> • Ticket sales. • Programmes. • Sale of food and/or drink • Merchandising (<i>accept different types of merchandising eg selling scarves, strips etc</i>). • Selling advertising. • TV rights. • Sell players (football). • Sponsorship. • Accept any fundraising activity eg raffles, jumble sales but do not accept Fundraising Activities/Charity Events without an example. • Become a plc and sell shares.. • Bank loan. • Lottery Funding. <p>Accept any 3</p>		3						
<p>(b)</p>	<p>A tennis score board is an example of which type of communication:</p> <table border="1" data-bbox="279 1473 592 1704"> <tr> <td></td> <td>Tick (✓) the correct answer</td> </tr> <tr> <td>Visual</td> <td>✓</td> </tr> <tr> <td>Oral</td> <td></td> </tr> </table> 		Tick (✓) the correct answer	Visual	✓	Oral		1	
	Tick (✓) the correct answer								
Visual	✓								
Oral									

	KU	DM
<div data-bbox="277 232 555 613" data-label="Image"> </div> <p data-bbox="735 232 1123 472">Andy Murray, the Scottish professional tennis player, signed a 4-year sponsorship deal worth £4 million with the clothing company Fred Perry.</p> <p data-bbox="193 645 1129 712">(c) Other than celebrity endorsement, identify 3 ways in which a clothing company could advertise its products.</p> <ul data-bbox="277 748 719 1137" style="list-style-type: none"> • On TV. • Radio. • Poster/shop window/billboard. • Flyer. • Cinema. • Buses. • Taxis. • Newspapers. • Magazines. • Internet website/pop up. etc. <p data-bbox="277 1167 453 1205">Accept any 3</p>		3



The chart below shows the organisation structure of Alba Knitwear Ltd in the Scottish Borders.



(a) Place each of the following job titles in the appropriate box in the organisation chart above.

Accounts Assistant	Managing Director
Advertising Assistant	Operations Manager

4

(b) Identify 2 employees who have the same level of responsibility.

Any 2 managers or any 2 assistants – accept consequential errors.

1

(c) Give one task carried out by the Human Resources Assistant.

Any HRM or Assistant's task eg arranging interviews or eg filing.

1

		KU	DM								
(d)	<p>Name the training provided to new employees.</p> <ul style="list-style-type: none"> • Induction. 	1									
(e)	<p>Alba Knitwear Ltd is a small business.</p> <p>Identify 2 features of a small business.</p> <ul style="list-style-type: none"> • Small workforce. • Few outlets – accept specific number ie one or two shops. • Offers limited stock. • Low sales. • Little profit. <p>Accept any 2</p>	2									
(f)	<p>Alba Knitwear Ltd operates in the following sector:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Tick (✓) the correct answers</th> </tr> </thead> <tbody> <tr> <td>Public Sector</td> <td></td> </tr> <tr> <td>Private Sector</td> <td style="text-align: center;">✓</td> </tr> <tr> <td>Voluntary Sector</td> <td></td> </tr> </tbody> </table>		Tick (✓) the correct answers	Public Sector		Private Sector	✓	Voluntary Sector		1	
	Tick (✓) the correct answers										
Public Sector											
Private Sector	✓										
Voluntary Sector											

QUESTION 5	KU	DM
<div data-bbox="416 232 1027 622" data-label="Image"> </div> <p data-bbox="277 689 1107 757">Six month after closing their high street stores, Woolworths was trading again, this time online.</p> <p data-bbox="193 824 983 860">(a) Suggest 2 reasons why Woolworths trades online.</p> <ul data-bbox="277 896 1134 1137" style="list-style-type: none"> • Reach more people/worldwide. • Open 24/7. • Cheaper because... (<i>accept different examples of cost saving eg less rent, staff wages</i>). • Looks better. • Still have goods left over to sell. etc. <p data-bbox="277 1173 453 1205">Accept any 2</p>	2	
<p data-bbox="193 1272 1126 1339">(b) Identify one piece of hardware necessary to view an internet website.</p> <ul data-bbox="277 1375 469 1657" style="list-style-type: none"> • Computer. • PC. • Laptop. • Phone. • Monitor. • Modem. • Hub. • Network. 	1	

		KU	DM						
(c)	<p>Suggest 2 pieces of information Woolworths.co.uk could put on their website.</p> <ul style="list-style-type: none"> • Prices. • Pictures of items to be sold. • Delivery details. • How to purchase. • Terms and conditions. • Contact details. • FAQs. • Customer ratings etc. <p>Accept specific items from the graphic eg <i>Account details</i>.</p>		2						
(d)	<p>Describe 2 problems of using an Internet website to sell goods.</p> <ul style="list-style-type: none"> • Customers cannot touch/examine the goods. • Site might not be secure. • Technical difficulties. • Customers need to have credit/debit cards. • Customers need access to the Internet/Computer. • Costs involved in maintaining a website. • Delivery charges etc. <p>Accept any 2</p>	2							
(e)	<p>Woolworths.co.uk uses online surveys to make decisions.</p> <p>Online surveys are an example of:</p> <table border="1" data-bbox="279 1339 801 1579"> <thead> <tr> <th></th> <th>Tick (✓) the correct answers</th> </tr> </thead> <tbody> <tr> <td>Primary information</td> <td>✓</td> </tr> <tr> <td>Secondary information</td> <td></td> </tr> </tbody> </table>		Tick (✓) the correct answers	Primary information	✓	Secondary information		1	
	Tick (✓) the correct answers								
Primary information	✓								
Secondary information									

(a)

Suggest a suitable software application that can be used to carry out the following tasks.

Suggest a different software application for each task*.

5

Tasks

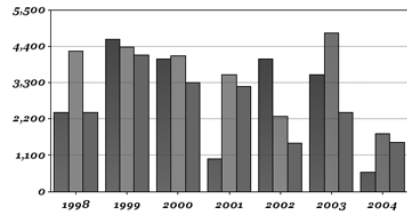
Software

Prepare a business letter.



Word processing
Word

Carry out calculations and display information in a graph.



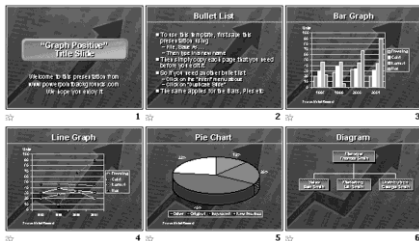
Spreadsheet
Excel

Produce professional looking business cards



Publishing package
DTP

Prepare slides to show at a meeting.




Presentation
PowerPoint

Store and sort names and addresses.

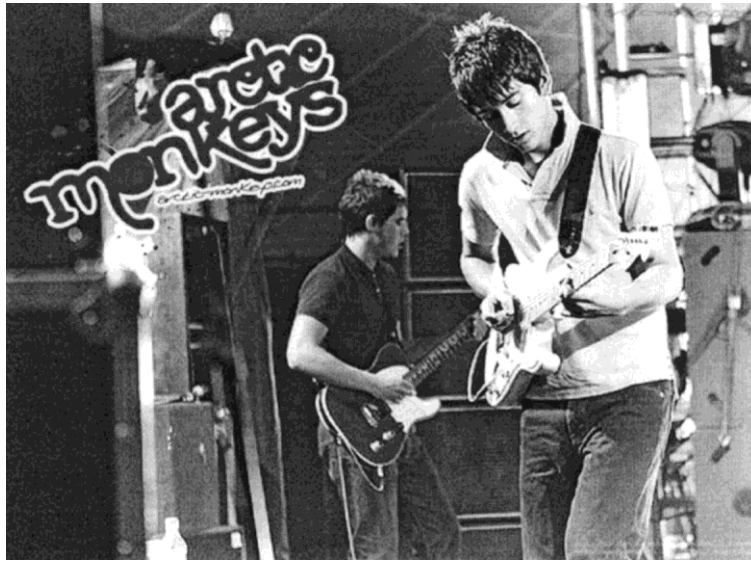
First Name	Last Name	Address	City	State	Zip Code
James	Smith	2322 E Glenview Ave	Bloomington	IL	61842
Michael	Johanson	2111 Thorncliffe Blvd	Ann Arbor	MI	48104
Joseph	Williams	231 W Elm Ave	Elmhurst	NY	20505
William	Jones	955 Park Street	Waltham	MA	01902
Matthew	Brown	29 Spring Rd	Glen Ellyn	IL	2483
David	Davis	2243 Maple Ave	Village Park	CA	95754
Christopher	Miller	231 Ardmore Ave	West Chicago	IL	25483
Andrew	Wilson	293 Catalina Ave	St Charles	MO	24988
Anthony	Moore	422 Woodworth Pl	Geneva	IL	57824
William	Thompson	23 Hill St	Seattle	WA	98102
Emily	Jackson	2432 Bryn Mawr Ave	Bethesda	MD	20814
Ernest	White	98 Foster Ave	Oak Park	IL	58983
Madison	Watts	385 Soden Rd	Princeton	IL	21243
Isabella	Martin	396 Glen Rd	Aliso Viejo	CA	92613
Alan	Thompson	461 Walnut St	Blue Island	IL	60450
Abigail	Clark	885 Franklin St	Burbank	CA	21441
Oliver	Redding	1228 Bank Ave	Chicago	IL	60602
Marshall	Levin	8383 Edgewater Dr	Aurora	IL	13243
Frank	Allen	1751 Millbrook Ln	Minnetonka	IL	26214

Database
Access
Electronic Diary
(Spreadsheet/Excel)

Accept reference to any other specific software package eg Apple.
*Accept spreadsheet twice.

QUESTION 7	KU	DM						
<div style="text-align: center;">  <p>STRATHMORE MORE SPRING FROM THE VALE OF STRATHMORE</p> </div> <p>Strathmore is one of the fastest growing water brands in the UK.</p> <p>(a) Suggest a way in which Strathmore Spring might grow.</p> <p>Internal – eg increased sales, profits, outlets, staff External – merger/amalgamation, takeover/acquisition</p>	1							
<p>(b) Identify 2 factors that determine the price of Strathmore Spring.</p> <ul style="list-style-type: none"> • What the customer is willing to pay. • Amount of profit wanted. • Price charged by competitors. • Costs. • Accept individual examples of costs eg cost of labour. • Materials. • Delivery charges. • Size of the bottle. • Quality of produce. • Where it is sold. <p>Accept any 2</p>		2						
<p>(c) When the price for a product falls demand tends to:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Tick (✓) the correct answers</th> </tr> </thead> <tbody> <tr> <td>Rise</td> <td style="text-align: center;">✓</td> </tr> <tr> <td>Fall</td> <td></td> </tr> </tbody> </table>		Tick (✓) the correct answers	Rise	✓	Fall		1	
	Tick (✓) the correct answers							
Rise	✓							
Fall								

		KU	DM										
(d)	<p>Price is one of the 4 elements of the Marketing Mix (4 Ps).</p> <p>Name the other 3 elements.</p> <table border="1" data-bbox="279 403 1029 660"> <thead> <tr> <th colspan="2">Marketing Mix (4 Ps)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Price</td> </tr> <tr> <td>2</td> <td>Place</td> </tr> <tr> <td>3</td> <td>Product</td> </tr> <tr> <td>4</td> <td>Promotion</td> </tr> </tbody> </table>	Marketing Mix (4 Ps)		1	Price	2	Place	3	Product	4	Promotion	3	
Marketing Mix (4 Ps)													
1	Price												
2	Place												
3	Product												
4	Promotion												



The band Arctic Monkeys gave a live concert at Glasgow's SECC.

(a) A concert is an example of a:

1

	Tick (✓) the correct answers
Good	
Service	✓


(b) Fans can buy Arctic Monkeys' music at the concert.

2

Suggest 2 other places Arctic Monkeys could sell their music.

- Music shops.
- Supermarket.
- Mail order.
- Internet website.
- Website/online (*accept examples of Internet website eg Amazon*).
- Download onto mobile.
etc.

Accept any 2

	KU	DM
<p>(c) Suggest a reason why the members of the Arctic Monkeys formed a group.</p>  <ul style="list-style-type: none"> • Fame. • Money. • To get rich. • Profit. • Because they had a talent. • A hobby which became a business idea. • Because they were friends/common interest. • Better together than on their own/realise potential. 	1	

QUESTION 9

KU

DM

Match the types of business with the examples shown below.

5

Public Limited Company

Government Organisation

Private Limited Company







Sole Trader

Partnership

Charity

Use each example only once.

The first one has been done for you.

Examples	Type of Business
 Andrzej Kowalski Window cleaner	Sole Trader
 BBC Broadcasting	Government Organisation
 Boots plc	Public Limited Company
 Mary's Meals feeding children in Africa	Charity
 Sarah Jones & Tom Smyth Accountants	Partnership
 Baxters Ltd	Private Limited Company

[END OF MARKING INSTRUCTIONS]