

FOR OFFICIAL USE

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Total

X234/101

NATIONAL
QUALIFICATIONS
2007

MONDAY, 14 MAY
9.00 AM – 10.15 AM

BUSINESS
MANAGEMENT
INTERMEDIATE 1

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

50 marks are allocated to this paper.

25 marks for Section **One** and 25 marks for Section **Two**.

Read each question carefully.

Attempt **all** the questions.

All answers are to be written in **this** answer book.

Do **not** write in the margins.

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.



SECTION ONE

This section should take you approximately 35 minutes.

Read the following passage and then answer the questions on *Pages three to seven* of the question paper.

Girls Just Wanna Have Fun

Every parent knows creating the perfect children's party is difficult as youngsters demand newer, more exciting activities to hold their interest. Gone are the days when a round of pass the parcel or musical chairs would keep the children quiet while mum and dad did their best to keep the little angels occupied.



CANDIDATE'S NOTES

Ros Potts, a single mother of 3 children, is well aware of the value of creating the perfect children's party. She had an idea of providing themed pamper parties for girls aged 4–14 one afternoon, while talking to her daughter. In 2001, Ros launched "Girls Just Wanna Have Fun" offering 4 different themed parties, either at the birthday girl's home or at a chosen venue for a cost of £120 for up to 10 girls. The business provides a full range of costumes and equipment. This means that parents can relax and watch as their children get their hair, make up and nails prepared.

Ros understood that while the party idea is great for girls it presents a handy solution for parents too. Parents are busier than ever before as a result of the demands of the modern world. Working long hours and looking after children can be hard work. As a result, when it comes to their child's birthday, parents often welcome a new form of entertainment.

After 2 highly successful years operating as a sole trader Ros formed a limited company in 2003. Since then the company has organised more than 2,000 parties with a total attendance of about 30,000 girls. Having already been successful in areas such as North Wales, Merseyside and Manchester, Ros has now decided that the time is right for expansion.

QUESTIONS

Answer ALL the questions

- 1.** Girls Just Wanna Have Fun provides a **service**.
- (a) List **2** other examples of businesses which provide a service. **2**
- 1 _____
- 2 _____
- (b) (i) Define the term **market**. **1**
- _____
- _____
- _____
- _____
- (ii) Identify the market for “Girls Just Wanna Have Fun”. **1**
- _____
- _____
- 2.** Ros Potts is an **entrepreneur**. State **one** role of an entrepreneur. **1**
- _____
- _____
- _____
- _____

[Turn over

3. “Ros has now decided that the time is right for expansion.”

Identify **3** other objectives that she might have.

3

Objective 1	
Objective 2	
Objective 3	

4. Describe the following **3** types of business organisations.

3

<i>Type of business</i>	<i>Description</i>
Sole Trader	
Partnership	
Private Limited Company	

5. The **marketing mix** is very important to the success of a business.

Define the **4** elements of the marketing mix named below.

4

<i>Element</i>	<i>Definition</i>
Product	
Price	
Place	
Promotion	

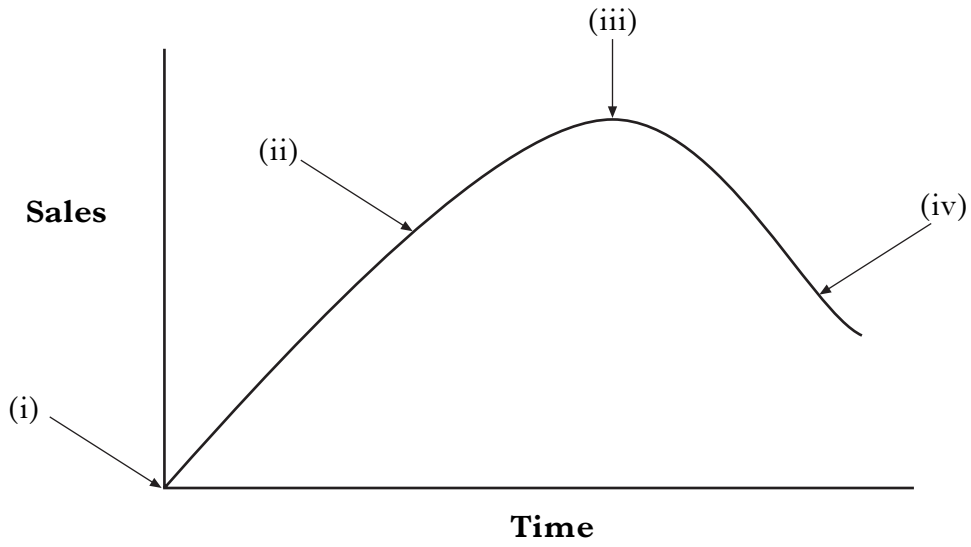
6. Describe **3** different methods a business could use to increase their sales.

3

Method 1	
Method 2	
Method 3	

[Turn over

7. The **Product Life Cycle** has **4** main stages.



Using the diagram above, identify each of the stages labelled (i)–(iv).

4

<i>Label</i>	<i>Product Life Cycle Stage</i>
(i)	
(ii)	
(iii)	
(iv)	

3

8. Define the following 3 Human Resource terms.

<i>Term</i>	<i>Definition</i>
Piece Rate	
Works Council	
Induction Training	

(25)

[END OF SECTION ONE]

[Turn over for SECTION TWO on Page eight

SECTION TWO

This section should take you approximately 35 minutes.

Read the following passage and then answer the questions on *Pages nine to thirteen* of the question paper.

<i>A Stitch in Time</i>	CANDIDATE'S NOTES
<p>Jim Moore has recently graduated in fashion design.</p> <p>He has decided to start his own business specialising in the production of made to measure kilts, suits and special occasion clothes for children. He has set up a workshop in his garage.</p> <p>The business has used very little marketing, apart from a small advert in the local newspaper. Jim produces a high quality product; this is the reason for receiving lots of orders through word of mouth.</p> <p>Jim's business was so successful that after only 6 months he has decided to rent a small shop in Galashiels. The volume of work has increased considerably. To deal with this he has employed an assistant who can deal with customer enquiries and undertake some of the routine administration tasks.</p> <p>Jim is in the process of installing a new computer system in the shop to help him improve the organisation of customer details, invoicing and financial records. To further expand he intends to connect to the Internet and set up his own website.</p>	



SECTION TWO

QUESTIONS

Answer ALL the questions

1. There are 3 main methods of production used by businesses. In the table below, identify each method of production described and give a different example of each.

6

<i>Description</i>	<i>Method of production</i>	<i>Example</i>
When large quantities of similar articles are produced usually on an assembly line.		
When a unique product is produced.		
When a number of the same items are produced in sets.		

2. High quality has led to repeat orders.

Describe **one** other reason why **quality** would be important to Jim's business.

1

[Turn over

3. Jim is installing a new computer system to help with the increased workload.

Complete the table below by:

- identifying the type of ICT (Information Communications Technology) being described, and
- describe how Jim could use ICT in his business. The first one has been done for you.

6

<i>Description of ICT</i>	<i>Name of ICT</i>	<i>Use of ICT</i>
Enables text to be keyed in, stored, edited and printed out.	Word Processing	Produce a letter to a customer
This is an electronic filing system, consisting of different records.		
This is a table of numbers that can be organised and analysed on a computer.		
This makes it possible to produce a slideshow with text, sound and animation.		

Marks

4. A **stakeholder** is a person with an interest in the success of a business. State a different interest for each of the following stakeholders. The first one has been done for you.

4

<i>Stakeholder</i>	<i>Interest</i>
Owner	Interested in high profits in order to receive a good income
Customers	
Suppliers	
Government	
Employees	

[Turn over

Marks

5. Jim presents information in a variety of ways. Describe a different benefit from using each of the following types of information. The first one has been done for you.

4

<i>Type of information</i>	<i>Benefit</i>
Graphical	It makes complicated information easier to understand
Written	
Oral	
Pictorial	
Numerical	

Marks

6. Jim used a **bank loan** to finance the new computer system.

State **one** advantage and **one** disadvantage of a bank loan.

2

Advantage	
Disadvantage	

7. Jim employed an assistant.

Describe the following Human Resource terms:

2

Job description	
Reference	

(25)

[END OF SECTION TWO]

[END OF QUESTION PAPER]

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Section One		
1		4
2		1
3		3
4		3
5		4
6		3
7		4
8		3
Section Two		
1		6
2		1
3		6
4		4
5		4
6		2
7		2