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Total

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X234/101

NATIONAL
QUALIFICATIONS
2008

FRIDAY, 16 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

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Town

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Forename(s)

--

Surname

--

Date of birth

Day Month Year

--	--	--	--	--	--	--	--

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 six* of the question paper.

Growth Is Still An Objective For Asda

Asda was formed in 1965 when Associated Dairies and the supermarket chain Queen's came together. Asda Stores Ltd was founded as a supermarket committed to offering shoppers permanently low prices. Asda has continued to grow over the years to become one of the biggest food retailers in the UK with more than 300 stores. In 1999 it became part of the Wal-Mart family.



Asda sells over 20,000 food products, from potatoes and puddings, through to freshly baked bread and cakes. They also stock non-food items like DVDs to duvets, TVs to fridges, candles and clothes. Asda has also recently expanded into speciality areas like pharmacies, opticians, jewellery and photograph developing.

Asda has recently said it will open a new £20 million superstore in Galashiels. It will create around 350 full-time and part-time posts in the town. The company has already started a local recruitment programme for the new store.

The Scottish Borders Council leader said the Asda plan was "excellent news". Asda will help pay for better road and rail networks in the Galashiels area. It will also result in more car parking spaces in the town.



An Asda spokesperson said, "We are looking forward to opening our store and bringing competition and lower prices to Galashiels and the Borders in time for Christmas."

Adapted from <http://news.bbc.co.uk>, 28/06/06
www.asda.co.uk

CANDIDATE'S
NOTES

QUESTIONS

Answer ALL the questions.

1. Asda sells durable and non-durable goods.

Define these types of goods and give an example of each.

4

<i>Type of good</i>	<i>Definition</i>	<i>Example</i>
Durable Good		
Non-Durable Good		

2. Asda has already started a local recruitment programme.

(a) List 4 steps in the recruitment process.

4

- 1 _____
- 2 _____
- 3 _____
- 4 _____

[Turn over

2. (continued)

New employees will be given induction training.

(b) Name **3** topics that could be covered in induction training.

3

1 _____

2 _____

3 _____

3. Stock control is very important to businesses.

(a) State **2** problems of holding too much stock.

2

1 _____

2 _____

(b) List **3** factors that would be considered before deciding which supplier to buy materials from.

3

Factor 1	
Factor 2	
Factor 3	

4. Suggest **2** advantages to a business of having a website.

2

Advantage 1 _____

Advantage 2 _____

5. Asda offers shoppers permanently low prices.

Describe **3 other** methods that Asda could use to attract customers to their new store.

3

Method 1	
Method 2	
Method 3	

Marks

6. Give a **different** advantage and disadvantage for each of the following sources of finance.

4

<i>Source of Finance</i>	<i>Advantage</i>	<i>Disadvantage</i>
Government Grant		
Bank Loan		

(25)

[END OF SECTION ONE]

SECTION TWO

This section should take you approximately 35 minutes.

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

Sweets Taste Of Success For Clare

A young entrepreneur has won a £10,000 prize to boost her handmade sweets business. Clare Smith sells fresh farm fruit dipped in Belgian chocolate in a variety of gorgeous designs. She won the postgraduate section of the National Business Plan Competition.



The prize was £5,000 in cash, plus up to £5,000 in business start-up support. Clare, who lives near Peterhead, Aberdeenshire, said, "I was absolutely thrilled. I had no idea I was going to win."

Clare, who started Berry Scrumptious at the start of the year, using fruit grown on her family farm, already has several orders. She will even supply the sweets for the graduation ceremony at Robert Gordon University in Aberdeen, where she studied Marketing. The business offers a range of products suitable for weddings, cocktail parties, business events etc.

Wherever possible, all berries are picked fresh from the farm and dipped in chocolate the same day. Then they are put in specially designed cool boxes to keep the berries fresh during transit. All orders are delivered overnight by lorry.

Adapted from Daily Record Business Insider, 03/03/2006

**CANDIDATE'S
NOTES**

[Turn over

QUESTIONS

Answer ALL the questions.

1. Clare will use many sources of information in her business.

Define the following **sources of information** and give one example of each.

4

<i>Source</i>	<i>Definition</i>	<i>Example</i>
Primary		
Secondary		

2. Clare, as the owner of a business, uses business information.

Identify **2 other** users of business information.

2

1 _____

2 _____

3. Clare's Balance Sheet shows fixed assets and current assets. Give **one** example of each.

2

Fixed Assets _____

Current Assets _____

4. Clare is a Sole Trader.

In the table below, describe the types of business organisation shown and give a **different** objective for each. The first one has been completed for you.

6

	<i>Description</i>	<i>Objective</i>
PLC	A business owned by shareholders	To grow
Partnership		
Charity		
Public Funded Organisation		

[Turn over

5. Identify **2** types of software program and state a **different** purpose each would be used for. An example has been completed for you.

4

<i>Software Program</i>	<i>Use</i>
Spreadsheets	To produce annual accounts and graphs
1	
2	

6. An increase in the minimum wage is an example of an external factor which affects businesses. Describe **3 other** external factors that could affect a business.

3

Factor 1 _____

Factor 2 _____

Factor 3 _____

Marks

7. State **2** reasons why a business might carry out market research. 2

Reason 1 _____

Reason 2 _____

8. The Health and Safety at Work Act 1974 states that both employers and employees share the responsibility to keep the workplace safe.

Identify **2 other** health and safety duties of the employer. 2

Duty 1 _____

Duty 2 _____

(25)

[END OF SECTION TWO]

[END OF QUESTION PAPER]

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

ACKNOWLEDGEMENTS

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Section 2 Passage—Article is adapted from *Daily Record Business Insider*, 3 March 2006, Published by The Daily Record. Reproduced by kind permission of The Daily Record.