

Tuesday 22 May 2012 – Afternoon

GCSE BUSINESS STUDIES

A292/01 Business and People

Candidates answer on the Question Paper.

OCR supplied materials:
None

Other materials required:
• Calculators may be used

Duration: 1 hour



Candidate forename		Candidate surname	
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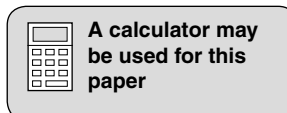
Centre number						Candidate number				
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INSTRUCTIONS TO CANDIDATES

- Write your name, centre number and candidate number in the boxes above. Please write clearly and in capital letters.
- Use black ink. HB pencil may be used for graphs and diagrams only.
- Answer **all** the questions.
- Read each question carefully. Make sure you know what you have to do before starting your answer.
- Write your answer to each question in the space provided. Additional paper may be used if necessary but you must clearly show your candidate number, centre number and question number(s).
- Do **not** write in the bar codes.

INFORMATION FOR CANDIDATES

- The number of marks is given in brackets [] at the end of each question or part question.
- The total number of marks for this paper is **60**.
- Your Quality of Written Communication will be assessed in questions marked with an asterisk (*).
- This document consists of **12** pages. Any blank pages are indicated.



Answer **all** questions.

1 Leightons plc is a large company which manufactures sportswear which it sells to high street shops.

(a) (i) Use two of the choices below to complete the following sentence to explain **one** feature of a public limited company.

just family and friends newspapers the public the stock exchange

A public limited company can raise money by selling shares

to using [2]

(ii) The owners of Leightons plc have limited liability. Explain the meaning of the term '**limited liability**'.

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.....
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..... [3]

(iii) Within public limited companies there is said to be a separation of **ownership** and **control**. Explain what this means to a shareholder of a public limited company.

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..... [2]

(b) Leightons plc is said to be in the secondary sector as it makes sportswear. Describe how Leightons plc is dependent on businesses in the primary sector and the tertiary sector.

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.....
..... [2]

(c) Leightons plc is keeping its head office in the UK but moving its production facilities abroad.

(i) Draw **one** line which correctly matches the type of business Leightons plc would become if it moves its production facilities abroad.

Leightons plc

Public corporation

Multinational

Co-operative

[1]

(ii)* Leightons plc has the choice of moving its production facilities to either of the two locations detailed in Fig. 1 below.

LOCATION 1
EUROPEAN UNION – POLAND

Wage costs £2 per hour
Rent £40 000 per year
Transport costs £10 000 per month

LOCATION 2
ASIA – SRI LANKA

Wage costs 50 pence per hour
Rent £8 000 per year
Transport costs £20 000 per month

Fig. 1 Choice of Location

Using the information in Fig. 1, recommend which of the two locations Leightons plc should choose. Give reasons for your recommendation, explaining why you rejected the other choice.

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[6]

- (d) (i) The employees at Leightons plc's UK factory are worried that they will lose their jobs if the business relocates abroad.

All employees belong to the same trade union and they have voted to take strike action.

What is meant by the term 'strike action'?

..... [1]

- (ii) Explain **one** way in which **Leightons plc** and **one** way in which its **employees** will suffer as a result of this strike action.

Leightons plc

.....

.....

.....

Employees

.....

.....

..... [4]

- (iii) The management of Leightons plc and the trade union have agreed that if the dispute is not resolved quickly they will go to the Advisory, Conciliation and Arbitration Service (ACAS).

Explain the role ACAS takes in industrial disputes.

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..... [3]

(e) Leightons plc is concerned that it does not keep up to date with new communication developments in its communications with customers. Fig. 2 below shows the popularity of four methods of communication used by businesses to communicate with customers in 2010 and the forecast popularity of these methods in 2015.

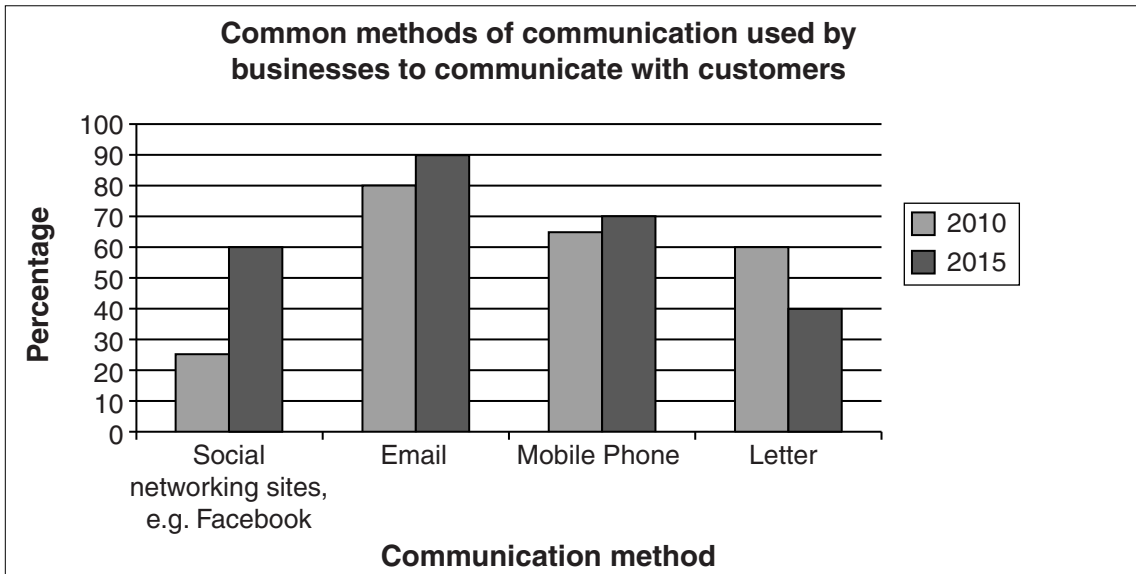


Fig. 2

(i) Using the information in Fig. 2, identify the method of communication which is forecast to be the least popular in 2015.

..... [1]

(ii) Using the information in Fig. 2, identify the method of communication which is predicted to increase at the fastest rate between 2010 and 2015..

..... [1]

(iii) Explain why it is important that Leightons plc keeps up to date with developments in communication methods when communicating with its customers.

.....

 [2]

[Total Marks: 28]

2 James Reddick owns Viva, a business which provides household services including plumbing, electrical and building work. James operates the business as a sole proprietor.

(a) State and explain **one** advantage and **one** disadvantage to James of operating Viva as a sole proprietor.

Advantage

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.....

.....

Disadvantage

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..... [4]

(b) Viva is in competition with Delto, a social enterprise which specialises in household repairs for the elderly.

Explain how the objectives of James, a sole proprietor, may differ from those of Delto, a social enterprise.

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..... [3]

(ii) State and explain **two** ways in which Viva could advertise the new trainee job.

1

Explanation

.....

.....

2

Explanation

.....

..... [4]

(iii) Viva has received 100 applications for the trainee job. It will use each candidate's curriculum vitae (CV) and a letter of application to decide whether to shortlist them for interview.

Explain how each of the following can help Viva to shortlist candidates for the job.

Curriculum vitae (CV)

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Letter of application

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..... [4]

- (iv) One of the applicants for the trainee job, Chris, has a disability. James is unsure whether to shortlist Chris because of his disability.

Advise James on whether or not he should shortlist Chris. Give reasons for your answer.

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..... [4]

- (e) James is concerned about employee motivation at Viva.

Explain how **job enrichment** might help to improve employee motivation at Viva.

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..... [3]

[Total Marks: 32]

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