



General Certificate of Education  
Advanced Level Examination  
June 2012

## Business Studies

## BUSS4

### Unit 4 The Business Environment and Managing Change

Thursday 21 June 2012 9.00 am to 10.45 am

**For this paper you must have:**

- an AQA 12-page answer book.
- You may use a calculator.

**Time allowed**

- 1 hour 45 minutes

**Instructions**

- Use black ink or black ball-point pen.
- Write the information required on the front of your answer book. The **Examining Body** for this paper is AQA. The **Paper Reference** is BUSS4.
- Answer **one** question from **Section A** and **one** question from **Section B**.
- Do all rough work in your answer book. Cross through any work you do not want to be marked.

**Information**

- The marks for questions are shown in brackets.
- The maximum mark for this paper is 80.
- You will be marked on your ability to:
  - use good English
  - organise information clearly
  - use specialist vocabulary where appropriate.

### Research Theme – Takeovers and Mergers

In your research on takeovers and mergers you should consider:

- the motives for takeovers and mergers and how these link with corporate strategy
- the problems of takeovers and mergers including difficulties integrating businesses successfully
- the factors influencing the success of takeovers and mergers
- the impact of takeovers and mergers on the performance of the businesses involved
- the impact on, and reaction of, stakeholders to takeovers and mergers
- the reasons why governments might support or intervene in takeovers and mergers.

You are strongly recommended to compare and contrast a number of different takeovers and mergers.

You should make reference to your research in your responses to **Section A** in the examination.

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**SECTION A**

Answer **one** question from this section.

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Read the item below and then answer **one** of the questions that follow.

**AT&T**

AT&T, the US telecommunications company, wants to increase its network capacity to handle the rapidly increasing consumer demand for videos and data. In March 2011, AT&T made a takeover bid for T-Mobile USA. AT&T offered \$39bn to buy the company from its German owners.

The deal would have made AT&T the largest US wireless network with 43% of the US mobile phone market and over 128 million customers. AT&T estimated that the deal would have generated savings of more than \$40bn over time.

However, in August 2011, the US government announced it would prevent the deal because it would 'substantially lessen competition'.

**EITHER**

0	1
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With reference to your own research and the item above, to what extent do you think that governments should prevent takeovers and mergers? *(40 marks)*

**OR**

0	2
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With reference to your own research and the item above, do you think that takeovers and mergers inevitably improve the performance of the businesses involved? Justify your answer. *(40 marks)*

**Turn over for Section B**

**Turn over ►**

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**SECTION B**

Answer **one** question from this section.

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**EITHER**

0	3
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In 2011, some directors of Acer computers wanted the business to invest heavily and rapidly into the tablet computer market to compete with products such as Apple's iPad. Other directors wanted the business to stay focused on personal computers, where it was already successful, believing that a major and sudden change in strategy was too risky. Do you think that businesses should avoid changing their strategies because of the risks involved? Justify your answer with reference to Acer and/or other organisations that you know. *(40 marks)*

**OR**

0	4
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Unilever sells many well-known food, personal care and home care brands, such as Ben and Jerry's, Persil and Dove, in over 180 countries. Its recent results have been boosted by its profits in emerging markets. To what extent is targeting emerging markets for sales the best way for businesses to achieve a major growth in their profits? Justify your answer with reference to Unilever and/or other organisations that you know. *(40 marks)*

**OR**

0	5
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The retailer, the John Lewis Partnership, is owned by its employees and has a strong culture that focuses on employee involvement and welfare. In the recent recession, John Lewis still managed to produce good financial results. To what extent do you think that the culture of an organisation determines its financial success in a changing external environment? Justify your answer with reference to John Lewis and/or other organisations that you know. *(40 marks)*

**END OF QUESTIONS**