

Candidate forename						Candidate surname					
Centre number						Candidate number					

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
ADVANCED SUBSIDIARY GCE
F292
BUSINESS STUDIES
Business Functions

TUESDAY 24 MAY 2011: Morning
DURATION: 2 hours

SUITABLE FOR VISUALLY IMPAIRED CANDIDATES

Candidates answer on the question paper.

OCR SUPPLIED MATERIALS:

Clean copy case study

OTHER MATERIALS REQUIRED:

A calculator may be used

READ INSTRUCTIONS OVERLEAF

INSTRUCTIONS TO CANDIDATES

- Write your name, centre number and candidate number in the boxes on the first page. Please write clearly and in capital letters.
- Use black ink. Pencil may be used for graphs and diagrams only.
- 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).
- Answer ALL the questions. You should not need to spend more than 30 minutes on Section A.

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 90.
- The quality of your written communication will be taken into account in marking your answer to the question labelled with an asterisk (*). Marks will be awarded for spelling, punctuation and grammar, use of appropriate form and style of writing, and for organising work clearly and coherently.

SECTION A

Answer ALL questions.

Question 1 does NOT relate to the JKL case study.

1 (a) Define the term ‘margin of safety’.

(b) Identify TWO leadership styles.

1: _____

2: _____ **[2]**

(c) State TWO marketing objectives.

1: _____

2: _____ **[2]**

- (d) A business is considering purchasing a new piece of machinery at a cost of £50,000. The machinery is expected to last for five years and produce annual net cash inflows as follows.

Year	Net cash inflow (£)
0	(50,000)
1	20,000
2	30,000
3	40,000
4	40,000
5	40,000

Calculate the Accounting Rate of Return (ARR) for the machinery.

Answer: _____ [4]

(e) Outline TWO benefits to a firm of using cell production.

1: _____

2: _____

_____ **[4]**

- (f) Explain ONE advantage and ONE disadvantage to a business of having a high labour turnover.

Advantage: _____

Disadvantage: _____

_____ [4]

Section A Total [18]

SECTION B

Answer ALL questions.

Questions 2–5 are based on the JKL case study. Your answers should make specific reference to the issues facing JKL.

- 2 (a) (i) Matthew Albie estimates that there are currently a total of 120,000 children in day nurseries in JKL's target market in the Birmingham area.**

Calculate JKL's market share.

Answer: _____ [2]

- (ii) The total cost of providing daycare for a child up to two years old at JKL is £200 per week.

Calculate the percentage mark-up on total cost for this service at JKL.

Answer: _____ [2]

[illegible]

[illegible]

[illegible]

[illegible]

[16]

[illegible]

[illegible]

[illegible]

[illegible]

[16]

[illegible]

[illegible]

[illegible]

[illegible]

[16]

Evaluate how JKL could improve the quality of the services it provides.

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[20]

Section B Total [72]

Paper Total [90]

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