

<b>Candidate forename</b>						<b>Candidate surname</b>					
<b>Centre number</b>						<b>Candidate number</b>					

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**  
**AS GCE**  
**F292/01**  
**BUSINESS STUDIES**  
**Business Functions**

**MONDAY 21 MAY 2012: Morning**  
**DURATION: 2 hours**  
**plus your additional time allowance**  
**MODIFIED ENLARGED**

**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. HB pencil may be used for graphs and diagrams only.
- Answer **ALL** the questions. You should not need to spend more than 30 minutes on Section A.
- 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).

## **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**.
- Your Quality of Written Communication will be assessed in questions marked 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 TSL case study.**

- 1 (a) Identify TWO overheads which a business might have to pay.**

**1** \_\_\_\_\_

**2** \_\_\_\_\_ **[2]**

- (b) State TWO examples of below-the-line promotion.**

**1** \_\_\_\_\_

**2** \_\_\_\_\_ **[2]**

- (c) Define the term 'labour turnover'.**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ **[2]**

**(d) A business produces hand-printed T-shirts which sell for £15 each.  
Fixed costs are £1,000 per month and variable costs are £10 per T-shirt.  
Last month the business sold 215 T-shirts.**

**(i) Calculate the break-even level of output per month.**

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**[3]**

**(ii) Calculate the margin of safety last month.**

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**[1]**

**(e) Explain TWO disadvantages to a firm of having an autocratic leader.**

**1** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**2** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ **[4]**

**(f) Outline TWO disadvantages to a firm of using flow production.**

**1** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**2** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ **[4]**

**Section A Total [18]**

## SECTION B

Answer ALL questions.

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

- 2 (a) Hamza Bencherriff has estimated the net cash inflows for the proposed new production line for five years (lines 48–68).

Year	Net cash inflow
1	£10,000
2	£20,000
3	£20,000
4	£20,000
5	£20,000

- (i) Calculate the payback period.

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[1]

- (ii) Calculate the accounting rate of return (ARR) over a five year period.**

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**[3]**

- (b) Using the investment appraisal data AND ANY OTHER INFORMATION, discuss whether TSL should invest in the new production line. Justify your answer.**

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[illegible]



[illegible]

[illegible]

[illegible]

**Assess possible quality initiatives which TSL could use to further improve the quality of its products.**

[illegible]

[illegible]

[illegible]

[illegible]

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[16]



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[16]



[illegible]

[illegible]



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