

Monday 21 May 2012 – Morning

AS GCE BUSINESS STUDIES

F292/01 Business Functions

Candidates answer on the Question Paper.

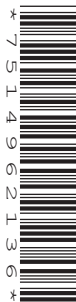
OCR supplied materials:

- Clean copy Case Study

Other materials required:

- A calculator may be used

Duration: 2 hours



Candidate forename		Candidate surname	
Centre number		Candidate number	

MODIFIED LANGUAGE

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. 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).
- 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 **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.
- This document consists of **20** pages. Any blank pages are indicated.



**A calculator may
be used for this
paper**

Section A

Answer **all** questions.

Question 1 is **not** about the TSL case study.

- 1 (a) Identify **two** overheads 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.

.....

 [3]

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

.....
 [1]

(e) Explain **two** disadvantages to a business of having an autocratic leader.

- 1
-
-
-
-
- 2
-
-
-
- [4]

(f) Outline **two** disadvantages to a business of using flow production.

- 1
-
-
-
-
- 2
-
-
-
- [4]

Section A Total [18]

Section B

Answer **all** questions.

Questions 2–5 are about the TSL case study. In your answers, make specific reference to the issues facing TSL.

- 2 (a)** The Finance Manager has estimated the net cash inflows for the proposed new production line for five years (lines 26–37).

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

- (i)** Calculate the payback period.

.....

 **[1]**

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

.....

 **[3]**

- (b)** Discuss if TSL should invest in the new production line. Justify your answer. Use the investment appraisal and **any other information** in the case study.

[illegible]

3 “As a business we trade solely on quality...” (line 58)

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

[illegible]

- 4** Discuss how an understanding of market segmentation will help TSL to improve its marketing and increase sales.

[illegible]

5* “Matthew has the feeling that staff motivation may be falling.” (Line 128)

Evaluate possible non-financial methods TSL could introduce to stop staff motivation falling.

[illegible]

..... [20]

Section B Total [72]

Paper Total [90]

18
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