

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS
AS GCE**

F292/01

BUSINESS STUDIES

Business Functions

TUESDAY 22 JANUARY 2013: Afternoon

DURATION: 2 hours

plus your additional time allowance

MODIFIED ENLARGED 18pt

Candidate forename		Candidate surname	
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Centre number						Candidate number				
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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 (*).**

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SECTION A

Answer ALL questions.

Question 1 does NOT relate to the HHL case study.

- 1 (a) State TWO possible benefits to a firm of it growing in size.**

1 _____

2 _____

[2]

- (b) Identify TWO methods used for investment appraisal.**

1 _____

2 _____

[2]

- (c) 'Place' is one of the four Ps of the marketing mix. State what is meant by the term 'place'.**

_____ **[2]**

- (d) The table opposite shows incomplete budgeting data for a coffee shop. Complete the boxes labelled (i) to (iv) in the table on the facing page.**

[4]

	FORECAST (£)	ACTUAL (£)	VARIANCE (£)	FAVOURABLE/ ADVERSE
SALES REVENUE	6000	5820	(iii)	Adverse
LABOUR COSTS	4000	(ii)	210	Favourable
RENT PAID	1000	1100	100	(iv)
OTHER COSTS	(i)	640	40	Adverse

(e) Explain TWO advantages to a business of having a narrow span of control.

Advantage 1 _____

Advantage 2 _____

[4]

- (f) Outline ONE advantage and ONE disadvantage to a firm of using benchmarking to improve quality.

Advantage _____

Disadvantage _____

[4]

SECTION B

Answer ALL questions.

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

- 2 (a) Nicole Lau has managed to find out that 108 new customers were gained during the promotional pricing campaign in Yorkshire (SEE TABLE 3).**

Calculate the price elasticity of demand for the Yorkshire region.

[4]

(b) Discuss suitable pricing strategies which HHL may consider to help it achieve both its customer growth target in the private home market AND its overall profit objective. [16]

[illegible]

[illegible]

[illegible]

[illegible]

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[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

5* Evaluate the extent to which lean production techniques may increase efficiency at HHL. [20]

[illegible]

[illegible]

[illegible]

[illegible]

END OF QUESTION PAPER

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