

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS
AS GCE**

F292/01

BUSINESS STUDIES

Business Functions

TUESDAY 4 JUNE 2013: Morning

DURATION: 2 hours

plus your additional time allowance

MODIFIED ENLARGED

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

<p>A calculator may be used for this paper</p>

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 the question marked with an asterisk (*).**
- **Any blank pages are indicated.**

SECTION A

Answer ALL questions

Question 1 does NOT relate to the MSDL case study.

1 (a) Identify TWO production methods.

1 _____

2 _____

[2]

(b) State what is meant by 'job enrichment'.

_____ **[2]**

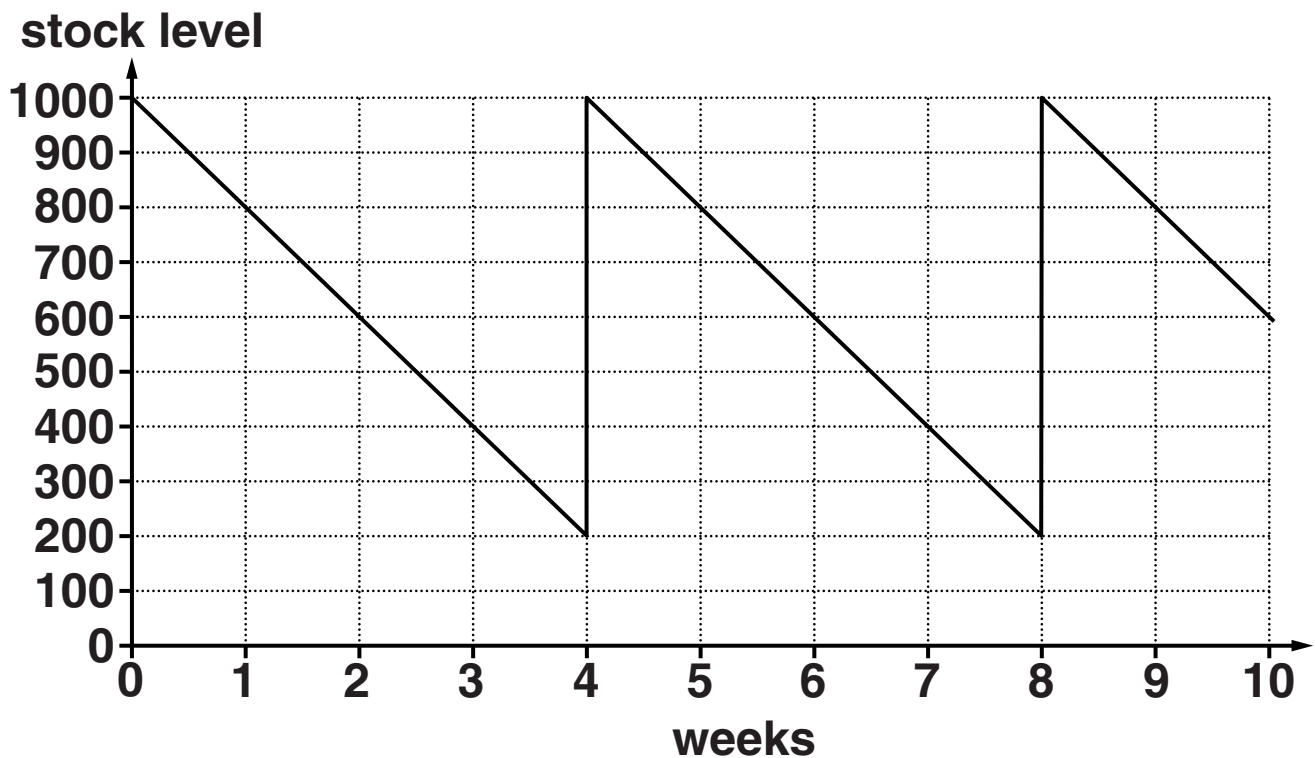
(c) State TWO benefits to a firm of using market segmentation.

1 _____

2 _____

[2]

(d) The diagram below shows the stock levels of one raw material for a firm producing shoes.



Using the diagram above:

(i) What is the maximum stock level?

_____ [1]

(ii) What is the buffer stock level?

_____ [1]

(iii) Calculate the average weekly stock usage.

_____ [1]

(iv) If the lead time is one week, calculate the re-order level.

_____ [1]

(e) Explain TWO reasons why a firm produces final accounts, such as a profit and loss account (income statement) and a balance sheet.

1 _____

2 _____

[4]

(f) Outline TWO consequences to a firm of de-layering its organisational structure.

1 _____

2 _____

[4]

SECTION B

Answer ALL questions.

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

- 2 (a) Lewis Moffett has estimated the direct costs of producing the Heron sculpture are £500 per item. He has decided to allocate £5720 of annual overheads to this product.**

Calculate the annual break-even level of output for the Heron sculpture.

[4]

[16]

[illegible]

[illegible]

[illegible]

[illegible]

- The meeting with the four shopfloor supervisors did not go well (Lines 84–88). This was, in part, due to Tony's leadership style.**

Discuss whether changes to Tony's leadership style could overcome MSDL's employees' resistance to the proposed changes. [16]

[illegible]

[illegible]

[illegible]

[illegible]

- 4 Evaluate the extent to which MSDL will be able to achieve internal economies of scale from future growth if the proposed diversification into garden accessories proves to be successful. [16]**

[illegible]

[illegible]

[illegible]

[illegible]

methods for MSDL's planned new products.

[20]

[illegible]

[illegible]

[illegible]

[illegible]

END OF QUESTION PAPER

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