Write your name here			
Surname		Other names	
Edexcel Principal Learning	Centre Number		Candidate Number
Information Level 3 Unit 2: Understandi			
Tuesday 10 January 2012 – Time: 1 hour 30 minutes	Afternoon		Paper Reference
You must have: Insert (enclosed)			Total Marks

Instructions

- Use black ink or ball-point pen.
- Fill in the boxes at the top of this page with your name, centre number and candidate number.
- Answer all questions.
- Answer the questions in the spaces provided
 - there may be more space than you need.

Information

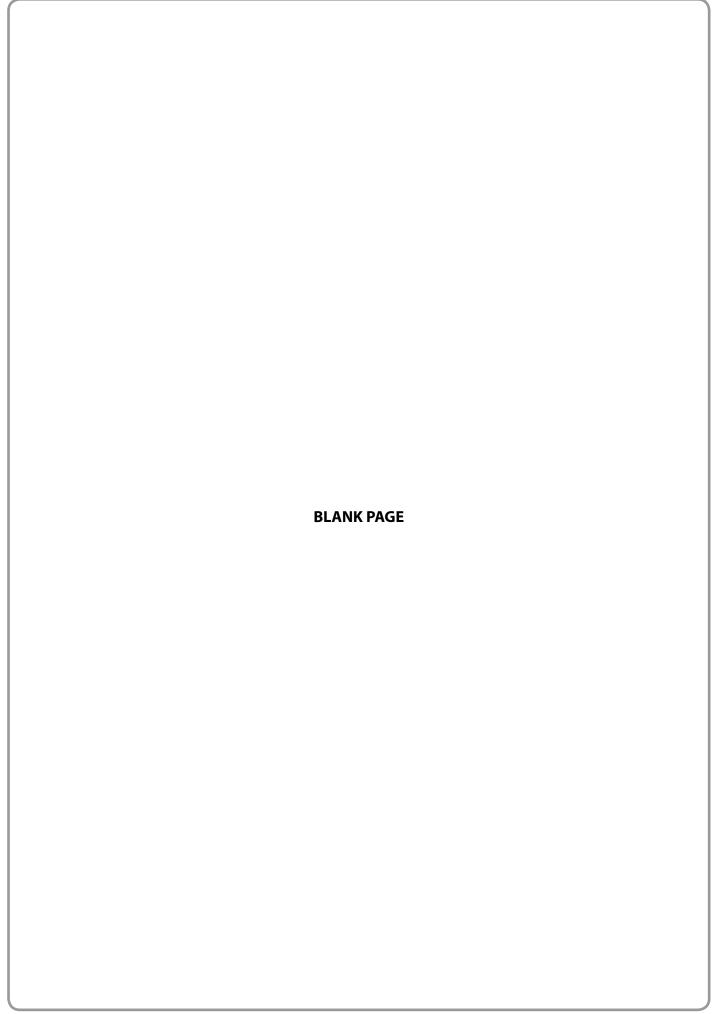
- The total mark for this paper is 90.
- The marks for **each** question are shown in brackets
 - use this as a guide as to how much time to spend on each question.

Advice

- Read each question carefully before you start to answer it.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ▶





	Answer ALL questions. Write your answers in the space provided.	
1	Eddie Branch started trading 30 years ago as a sole trader.	
	(a) State what is meant by the term sole trader .	(1)
••••	Eddie now wants to raise capital to purchase the lease on the new premises. He has been approached by a local businessman who will fund the purchase and become a sleeping partner.	
	(b) Describe one advantage and one disadvantage of Eddie entering into such a partnership.	(4)
	Advantage	(- /
	Disadvantage	
	(c) Study the organisational structure of Branchjobs, Figure 1 on page 4 of the insert. (i) State the type of organisational structure used in Branchjobs.	(1)
	(ii) State one disadvantage of this organisational structure.	(1)
	(Total for Question 1 = 7 ma	nrks)



- **2** Brenda Shepherd, the shop manager, has identified a number of ways in which the administration of the company could be improved. These improvements could include IT systems for:
 - **A** storing customer records
 - **B** automating retail customer payments
 - **C** producing financial reports
 - **D** producing trade customer invoices
 - **E** recording supplier details
 - **F** calculating cash flows
 - **G** maintaining stock levels
 - **H** recording petty cash transactions

Sue Benton, the IT manager, has identified a number of software packages they could use. Decide which software package would be most suitable for each of the improvements.

Enter the appropriate letters A–H in this grid.

Each letter may be used only once.

Spreadsheet	
Database	
Accounts package	
EPOS/EFTPOS	

(Total for Question 2 = 8 marks)

3	Sue has identified that the present computer system will not support the new software packages she wishes to introduce. She has also recognised that with the purchase of new premises, a compatible computer system must be installed in each retail outlet.	
	(a) State what is meant by a legacy system .	(1)
	(b) Describe two problems for Branchjobs if it continues to run a legacy system.	
1.		(4)
2 .		
	The replacement of the warehouse system would affect Mike Branch and Sue's management areas.	
1	(c) Explain two effects the introduction of a new system might have.	(4)



integrate fully with the new outlet is a major project. He will need to employ a project manager to ensure that the process runs smoothly. (d) Discuss the role and responsibilities of the project manager. (9)

Eddie has identified that purchasing new premises and enabling the existing outlet to



(Total for Overtion 2 – 19 marks)
(Total for Question 3 = 18 marks)
(Total for Question 3 = 18 marks)
(Total for Question 3 = 18 marks)
(Total for Question 3 = 18 marks)
(Total for Question 3 = 18 marks)
(Total for Question 3 = 18 marks)
(Total for Question 3 = 18 marks)
(Total for Question 3 = 18 marks)
(Total for Question 3 = 18 marks)
(Total for Question 3 = 18 marks)
(Total for Question 3 = 18 marks)

4	Study the process chart for Branchjobs, Figure 2 on page 5 of the insert. Describe two problems with the order processing system.	
1		
2		
	(Total for Question 4 = 4	marks)
5	Sue has identified that a networked computer system will require the need for computer interfacing.	
	(a) State what the term computer interfacing means.	(1)
		(-)

is concerned that legacy system to t	problems may be end he new network.	countered when tr	ransferring data fror	n
cribe two reasons sferring data.	why differing data sti	ructures may caus	e problems when	
erennig datai				(4)
• 1 6.1				
	e importance of proto			
lain, using an exan ween computer sy:	nple, the purpose of p stems.	protocols in the ex	change of data	
, , ,				(4)
		(Total fo	r Question 5 = 9 m	arks)

6	Study the financial forecast, Figure 3 on page 6 of the insert.	
	Eddie asked his bank for a loan of £100 000 to finance the purchase of the new premises. He says he will pay the loan back within 10 years. The bank manager ν reluctant to agree to the loan.	vas
	(a) Using information from the chart, explain one reason why the bank manage reluctant to agree to the loan.	r was
		(2)
	(b) The bank manager expected an increased return on profit if a computerised system was installed. Eddie asked Sue for help.	
	Sue has estimated that a new networked computer system will cost £12 000	•
	The system must pay for itself within 4 years.	
	Working on an average profit of £15 000 per year over the next 4 years, what the percentage rise in profits need to be to recoup the costs?	t will
	Show your working.	(2)
	Space for working	
	Answer .	%



The bank manager asked Eddie to produce a detailed cash flow analysis.	
(c) Explain the term cash flow .	(2)
Eddie was asked to consider the risks to his business in the event of a downturn in the economic environment.	
(d) Explain three risk factors in the economic environment which could affect the success of Eddie's business.	
	(6)
(Total for Question 6 = 12 m	arks)



7	Eddie has identified that good customer relationship management may help increase sales and improve customer relations.	
	(a) Describe the term customer relationship management .	
		(2)
	Eddie would like to provide some customer service training to his staff to improve	
	their interpersonal and presentational skills.	
	(b) Explain the benefits of a computer aided learning (CAL) package for delivering staff training.	
		(8)



Eddie has been advised that the development of a website for his business may help customer relations and increase sales.	
(c) (i) Identify two features of an effective e-commerce website.	(2)
	(2)
(ii) Explain two benefits of an effective e-commerce website for the customer .	(4)
	(4)

	(iii) Explain two benefits of an effective e-commerce website for Branchjobs .	(4)
1		
2		
	(Total for Question 7 = 20) marks)

8	As IT manager, Sue has been put in charge of the IT network.	
	• She has identified security in using the new computer networks as a high priority.	
	 She is aware that sensitive data will need to be transferred between the two premises. 	
Discuss the possible risks to the data on the Branchjobs network and how they may be minimised, referring to any relevant legislation in your answer.		
	Question 8 continues on the next page	



(Total for Question 8 = 12 marks)
TOTAL FOR PAPER = 90 MARKS