

# GENERAL CERTIFICATE OF SECONDARY EDUCATION APPLIED BUSINESS

Business in Action

**A241**



Candidates answer on the question paper.

**OCR supplied materials:**

None

**Other materials required:**

- A calculator may be used

**Wednesday 12 January 2011  
Morning**

**Duration: 1 hour 30 minutes**



Candidate forename		Candidate surname	
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Centre number						Candidate number			
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## 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. Pencil may be used for graphs and diagrams only.
- 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).
- Answer **all** the questions.
- 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 **80**.
- Your quality of written communication is assessed in questions marked with an asterisk (\*).
- This document consists of **16** pages. Any blank pages are indicated.



A calculator may  
be used for this  
paper

## Text 1

Leo Springer has been designing and making office furniture ever since he left college 10 years ago. He started by making desks for people to have in their office/study at home. Interest grew in his business and he was regularly called into other businesses to design the layout of their offices and then make the furniture. He currently sells the furniture abroad, as well as in the United Kingdom (UK). He has always run the business as a sole trader and it operates under the name Springer Office Furniture (SOF). Leo now employs staff to make the furniture and to manage the various functional areas within the business.

## 1 Refer to Text 1.

- (a) State **one** possible reason why Leo Springer started his own business.

[1]

[1]

- (b) (i)** Outline **two** advantages to Leo of running SOF as a sole trader.

1: .....

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2: .....  
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.....

[4]

- (ii) Outline **two** disadvantages to Leo of running SOF as a sole trader.

1: .....

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2: .....

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[4]

**(c)\*** Changes in the external environment can impact on the activities of a business.

These include:

- the level of consumer spending;
  - new competitors entering the market.

Evaluate whether changes in the level of consumer spending or the entry of new competitors into the market will have the greater impact on SOF.

[10]

[Total: 19]

**Text 2**

Leo has always been interested in ICT and would like to use it throughout his business.

**2 Refer to Text 2.**

- (a) State and explain **one** way in which Leo could use ICT to make the manufacturing process at SOF more efficient.

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..... [2]

- (b) State and explain **one** way in which Leo could use ICT to make the administration functional area at SOF more efficient.

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.....  
..... [2]

- (c) Identify **three** operational tasks of the marketing functional area in a business you have studied.

Name of business: .....

1: .....

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2: .....

.....  
.....

3: .....  
.....  
..... [3]

- (d) Leo is keen to increase the amount of marketing undertaken by SOF.

State and explain **two** ways in which the use of ICT could help Leo to increase the amount of marketing at SOF.

1: .....

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2: .....

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(e)\* Leo has always tried to operate SOF in enterprising ways. The following are ways in which SOF could be enterprising:

- taking a risk by developing new furniture designs;
  - changing the way in which workers are organised;
  - giving workers a share in the profits of SOF.

Which one of these ways would have the **biggest** impact on SOF? Give reasons for your answer, explaining why you rejected the other two ways.

[10]

[Total: 21]

**Text 3**

Leo is keen to keep all of SOF's different stakeholder groups happy. He works hard both inside and outside the business to try to keep the stakeholder groups happy.

**3 Refer to Text 3.**

- (a) (i) State **three different** stakeholder groups with an interest in SOF.

1: .....

2: .....

3: ..... [3]

- (ii) State and explain **one** possible conflict between the interests of **two** of the groups identified in part (a)(i).

Name of group 1: .....

Name of group 2: .....

Conflict: .....

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..... [2]

- (b) State and explain **two** possible consequences to a business you have studied if it does **not** listen to its stakeholder groups.

Name of business: .....

1: .....

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2: .....

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[4]

- (c) All businesses need to be mindful of ethics and the need to be sustainable.

(i) State and explain **two** ways in which SOF may act in order to achieve sustainability.

1: .....

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2: .....

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[4]

- (ii) Explain the meaning of the term ethics.

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[2]

**12**

- (iii) Other than sustainability, state **three** ways in which a business you have studied can be seen to be operating in an ethical manner.

Name of business: .....

1: .....

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2: .....

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3: .....

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[3]

**[Total: 18]**

**Text 4**

The capital to finance SOF has come from both Leo's own savings and from a bank loan. Leo is now thinking of changing SOF's existing business practices by concentrating on one target market. Rather than selling to the general public and businesses in the UK and abroad, he would only sell to businesses based in the UK.

**4 Refer to Text 4.**

- (a) State and explain **two** possible reasons why Leo wants to change SOF's business practices in this way.

1: .....

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2: .....

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[4]

- (b) Other than by changing its target market, explain **two** ways which a business you have studied has changed its existing business practices.

Name of business: .....

1: .....

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2: .....

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[4]

- (c) The success of SOF will depend on conditions in the economy as a whole.

Draw a line between each term and its correct definition in the diagram below. [4]

**Term**

**Definition**

Interest rates

The increase in the price of goods and services measured over a set period of time.

Inflation

The amount of money taken from the general public by the government to spend on public services.

Exchange rates

The cost of borrowing money.

Taxation

The price at which one currency is bought and sold for another.

The amount spent by the government on public services.

(d)\* Leo knows that the following factors within the economy could all affect the success of SOF:

- changes in interest rates;
  - changes in inflation;
  - changes in exchange rates;
  - changes in taxation.

Which of these factors would have the **biggest** impact on SOF? Give reasons for your answer, explaining why the other factors would have less impact.

[10]

[Total: 22]



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