

Rewarding Learning

General Certificate of Secondary Education

2010

Business Studies

Paper 1 Higher Tier

[G1203]

MONDAY 7 JUNE, MORNING



TIME

1 hour 30 minutes.

INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number in the spaces provided at the top of this page.

Write your answers in the spaces provided in this question paper.

There should be enough space for your answers. If you do require more space, you may complete your answers on the extra lined pages at the back of this booklet.

Answer **all three** questions.

This paper is accompanied by a case study. You must **not** use your own annotated copy of this case study.

INFORMATION FOR CANDIDATES

The total mark for this paper is 79, including a maximum of 4 marks for quality of written communication.

Figures in brackets printed down the right-hand side of pages indicate the marks awarded to each question or part question.

For Exa	
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(c)	Evaluate the type of management structure used by Fun and Games		Examin	
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(4)	List two methods of communication used by Eun and Comes I to an	,d		
(u)	List two methods of communication used by Fun and Games Ltd ar	ıu		
	discuss the importance of effective communication for the business			
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(b)	Explain two reasons why appraisal might be useful to the managem of Fun and Games Ltd.	ent	
(c)			
(c)	Refer to Page 4 of the Case Study. Distinguish between a job		
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(d)	Outline one responsibility of an employer during the selection process.	Examine Marks	er Only Remark
	[2]		
(e)	Discuss how The Fair Employment Act might impact on the recruitment of staff for Fun and Games Ltd.		
	[4]		
(f)	Using examples from the Case Study, explain how Fun and Games Ltd uses non-financial methods of motivation.		
	uses non-infancial methods of motivation.		
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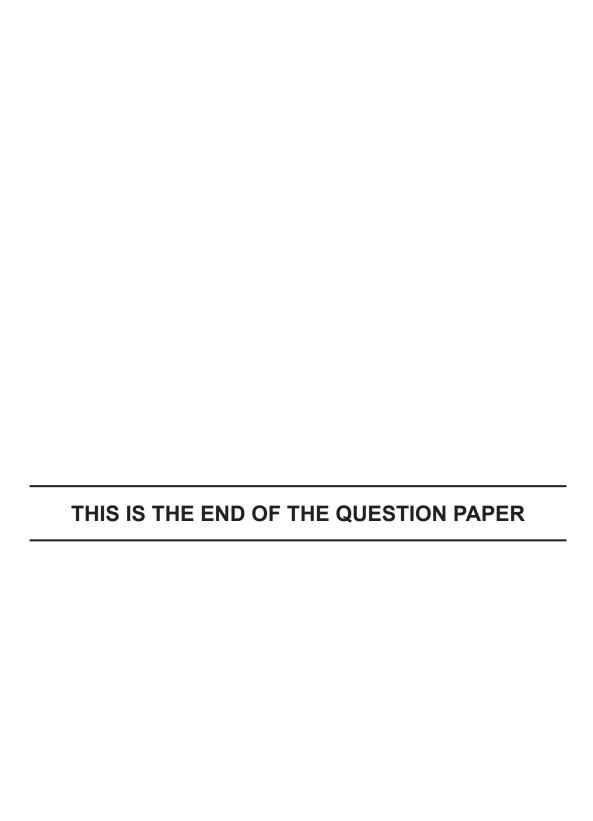
		ing.	
(a)	(i)	What does ASA stand for?	
	(ii)	Outline two roles/functions of the ASA.	
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(b)		cuss two factors that might influence the price of products at Fur Games Ltd.	1
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(e)	Fun and Games Ltd is considering a merger. Discuss two possible sources of external finance that would be available to Fun and Games Ltd indicating which would be the most suitable.		Examin Marks	er Only Remark
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Business Studies

Case Study for use with Paper 1

Foundation Tier and Higher Tier
[G1201] [G1203]

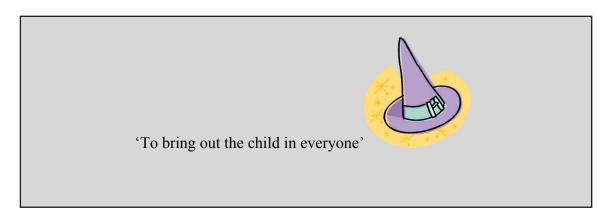
MONDAY 7 JUNE, MORNING

G1201G1203

You must use **this** clean copy of the Case Study in the examination and not your own annotated copy.

Fun and Games Ltd

Mission statement:



Founded in 1979, "Fun and Games" was set up as a partnership by Mr Bennett and his partner Mr Black. On setting up the business they both contributed equal amounts of start up capital and each received the same amount of profit. They formalised the set up of the business by drawing up a Deed of Partnership.

The business was very popular as not only did it provide a wide range of toys and accessories but also specialised in costumes and fancy dress. The first five years saw a rapid growth in sales. By 1989 it became a private limited company and was then called Fun and Games Ltd. By the year 2000 it had opened three other branches throughout Northern Ireland.

Extract from Memorandum/Articles of Association:

Memorandum/Articles of Association

Fun and Games Limited
15 Festive Road
Puddlehill
Northern Ireland

Aim: To sell and distribute toys and costumes for children of all ages

Capital value: £50 000

Liability clause: The shareholders of this company have limited liability

Association clause: Mr Bennett and Mr Black wish to establish Fun and Games as a private

limited company

Fun and Games Ltd now employs just over 60 people and has a hierarchical structure. Mr Bennett and Mr Black are the only shareholders. Each shop (four in total) has a Store Manager who reports directly to the owners. They have a monthly Board Meeting and communicate daily via email. Each Manager has to prepare a monthly written report on activities.

Managing Director Mr Bennett Finance Director Mr Black Store Store Store Store Manager Manager Manager Manager Branch 1 Branch 2 Branch 3 Branch 4 3 Section Office 3 Section Office 3 Section Office 3 Section Office Heads Heads Heads Manager Manager Heads Manager Manager 10 Floor 2 Clerical 10 Floor 2 Clerical Clerical 8 Floor Clerical 8 Floor Workers Assistant Workers Assistants Workers Assistants Workers Assistant

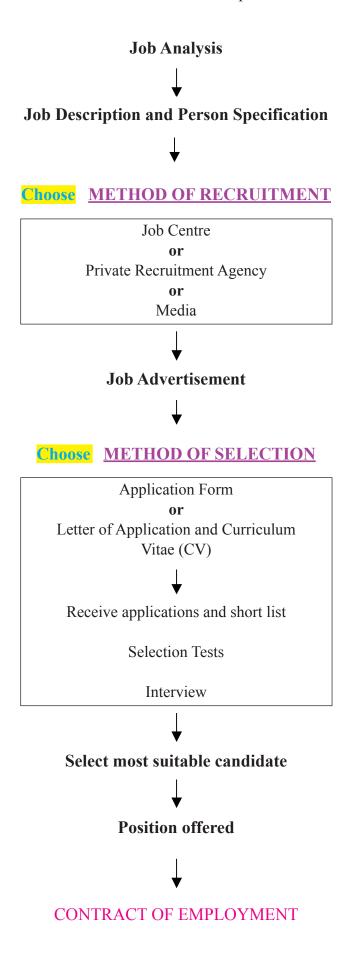
Organisation Chart for Fun and Games Ltd

Most employees are employed full-time but some are employed part-time and recently the owners have offered job sharing for employees who wish to avail of it. They pride themselves on paying their employees well and have recently redecorated the staff canteen and installed vending machines for staff use. Each member of staff is also entitled to 10% discount on non-sale items. All staff receive a Christmas bonus.

Appraisal is carried out on a yearly basis. It takes the form of an interview and employees are given the opportunity to express their views and opinions.

Currently one of their managers is moving to Australia and Fun and Games Ltd need to recruit a new manager. The company has decided to carry out a job analysis before compiling the job description, person specification and job advertisement.

A flow diagram to represent the recruitment and selection process at Fun and Games Ltd.



Marketing

Fun and Games Ltd uses newspaper and radio to advertise its products and is currently developing a website. The management hope this will increase sales as they intend to include an online ordering service.

Fun and Games Ltd carries out field research on a yearly basis. It prides itself on ensuring that the products it stocks are what the customer requires. It uses questionnaires to collect the information required and customers are stopped randomly and asked to answer the questions.

Sample questions from recent questionnaire:

4.	How often do you visit Fun and Games Ltd? Once per week Fortnightly Once per month Once every few months Other (please specify)
5.	What is your main reason for the visit? To browse To buy toys To buy fancy dress Reputation Other (please specify)
6.	Which products do you buy most often? Educational toys Pre-school toys Activity toys Electric toys Computers Fancy dress costume
7.	Have you seen/heard our advertisements? Yes No
8.	How would you rate the following: (5 being excellent and 1 poor) Variety of products Location Staff Prices
9.	Would you recommend us to a friend? Yes No

Sample results from questionnaire:

Question 8

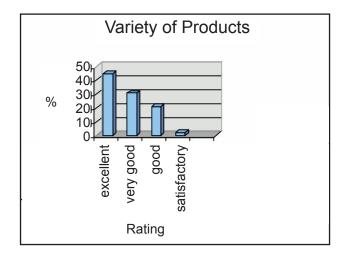


Chart 1

Question 8

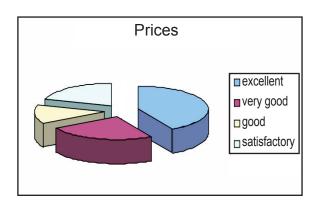


Chart 2

Question 6 Which products do you buy most often?

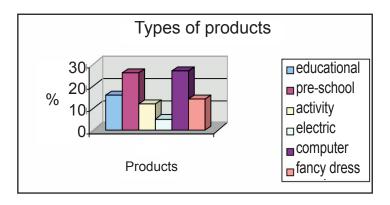


Chart 3

Products

The product range is vast, and toys to suit all age ranges are stocked. The company uses a range of sales promotion techniques as well as regular advertising to increase sales. A range of pricing strategy is also used. The shops stock a vast range of fancy dress costumes and from time to time employ casual staff to dress up in the costumes – they have theme days throughout the year.

Newspaper advertisement



Fun and Games Ltd

Discover the child in you – visit one of our stores located throughout Northern Ireland

Toys for all ages:

Pre-school,
educational,
activity, electric,
wooden and many
more......

Fancy dress specialists:

Superheroes, cartoon characters, characters from history etc.

Children and adult sizes available – huge range in stock

Opening hours:

Monday to Wednesday Thursday to Saturday Sunday 9.00am to 6.00pm 9.00am to 9.00pm 1.00pm to 6.00pm

BUY one GET one free on relected items



Future plans:

Mr Bennett and Mr Black are pleased with the success of their business and the organic growth that has taken place. They are currently considering an option to buy over another toy shop that has two branches in Dublin and at present are considering their financial options.

