Centre No.					Pape	er Refer	ence			Surname	Initial(s)
Candidate No.			1	5	0	3	/	0	2	Signature	

Paper Reference(s)

1503/02

Edexcel GCSE

Business Studies

Paper 2H

Higher Tier

Tuesday 9 June 2009 – Afternoon

Time: 2 hours

Materials required for examination	Items included with question papers
Calculator	Nil

Instructions to Candidates

In the boxes above, write your centre number, candidate number, your surname, initial(s) and signature.

Check that you have the correct question paper.

Answer ALL the questions. Write your answers in the spaces provided in this question paper. Do not use pencil. Use blue or black ink.

Information for Candidates

The marks for individual questions and the parts of questions are shown in round brackets: e.g. (2).

There are 5 questions in this question paper. The total mark for this paper is 105.

There are 20 pages in this question paper. Any blank pages are indicated.

There are 5 marks for the quality of written communication.

You may not use a dictionary.

You may use a calculator.

Advice to Candidates

You are reminded that you will be assessed on the quality of written communication. Remember to show all stages in any calculations and to state the units.

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Examiner's use only

Team Leader's use only

Question Number

1

2

Turn over

QWC

Total



Context - B & R Engineering Ltd

James Broadfield founded Broadfield Engineering, just outside Birmingham, in 1946. In 1962, Paul Rose joined the flourishing business as a partner and it was renamed B & R Engineering. It is near to its main customers, the Midland car industry and its raw material suppliers, the steel industry, making this an ideal location.

In 1984, Paul's son, Andrew, joined the business straight from school at 16. Today, following the retirement of both James and Paul, Andrew is the Managing Director and sole shareholder of B & R Engineering Ltd at its new bigger factory also just outside Birmingham.

B & R Engineering Ltd specialises in the manufacture of machine press tools and prototype parts. Its main customers are component companies that produce components, such as gear boxes, clutches and brake assemblies, for the motor car industry nationally and internationally (see chart).

B & R Engineering Ltd employs a Works Manager, Accountant, 5 machine tool makers, 3 CNC operators, 1 workshop technician and 1 part-time office clerk.

Specialist machine press tool making is in a highly competitive worldwide market. In recent years, many British companies have looked to the Far East, China and Korea, to purchase their machine press tools but some companies are returning to manufacturers in the UK.

B & R Engineering Ltd has invested heavily in CAD/CAM using American software which has been specially developed for its needs. It believes in and operates TQM.

Its mission statement is – 'to become a market leader by continuous investment in the most advanced technology in the world.' It has a 20-year plan to achieve this aim through the objectives of increasing profits and growth of its market share.

Andrew Rose says: "We have very high staff retention and while this is partly due to the good salaries paid, a lot of this is down to our approach to the business. We believe that our staff share our values and are proud of the quality of their work. This is very important because without their support we would not be as successful as we are. We are one of the quiet little businesses just getting on with things. Our success is based on successfully marrying new technology with a happy workforce".

B & R Engineering Ltd tries to attract well qualified machine tool makers. It offers apprenticeships and sponsorship as well as attending graduate job fairs.



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The following chart shows where the business fits into the chain of production for the car manufacturing industry.

Raw Steel Stockists

B & R Engineering Ltd

SPECIALIST MACHINE PRESS TOOL AND PROTOTYPE PARTS MAKERS DESIGNS AND PRODUCES THE TOOLS THAT WORK IN THE MACHINES THAT MAKE THE CAR PARTS

Component Manufacturer

eg MAKES PARTS FOR CARS USING THE TOOLS DESIGNED AND PRODUCED BY B & R ENGINEERING LTD

Car Plant

ASSEMBLES CARS

Answer ALL questions.

			Answer AL	L questions.		
		from the Prof ch 2008.	fit & Loss Account	of B & R Enginee	ring Ltd for the ye	ar ended
(Sales re Cost of Gross pi Expense Net prof	sales rofit es		£ 900 000 400 000 ? 380 000 ?		
_	Gross pross prosseries	v 100		Net profit Sales revenue	x 100	
	(u) (1)	B & R Engine	ve Profit & Loss Ac eering Ltd.			
	(ii)		ove Profit & Loss Ar B & R Engineerin		the gross profit rati	(2) o and net
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(b) (i)	What is meant by retained profit?	
		••••
		••••
		(2)
	Engineering Ltd prefers to use retained profit rather than a bank loan.	
(11)	Consider TWO drawbacks of using retained profit.	
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.) (1)	Discuss TWO benefits to B & R Engineering Ltd of having increased profits.

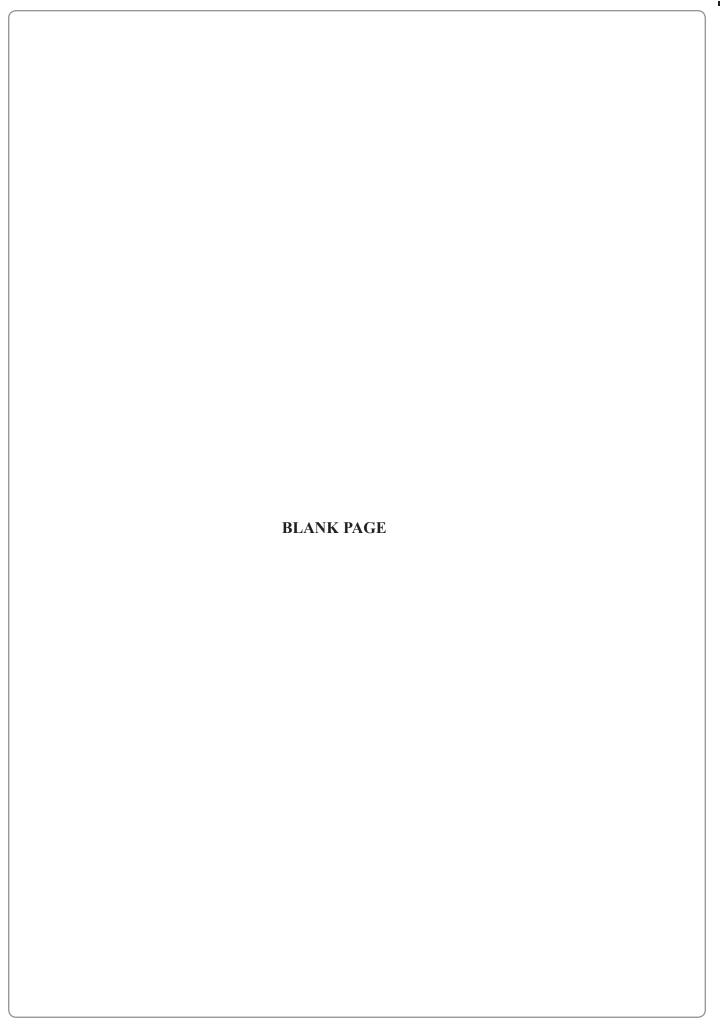




R Engineering Ltd is located just outside Birmingham.
Explain TWO reasons B & R Engineering Ltd might have had for locating just outside Birmingham.

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(Total 20 marks)



Jus	stify your choice of TWO suitable methods of promotion.
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(b) (i)	What is meant by 'market research'?
	(2
(ii)	Explain why B & R Engineering Ltd carries out market research.



(4)
chine tool makers at B & R Engineering Ltd use job production.
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Production can be classified as capital intensive or labour intensive. Many labour intensive manufacturing businesses have decided to move production to countries such as China and Korea. (iii) Why do you think some businesses have decided to move production? B & R Engineering Ltd has not taken the decision to move production overseas but has decided to remain in the UK. To ensure the high quality of its components the company follows a policy of TQM (Total Quality Management). (b) How might TQM help B & R Engineering Ltd operate in the UK market?



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- **5.** Machine tool makers are highly skilled and, according to Andrew Rose, the job requirements for some recruits include 'having a degree standard education as well as wanting to go into engineering'. B & R Engineering Ltd uses the following recruitment methods in order to attract suitable job applicants:
 - offering apprenticeships
 - sponsoring applicants through college or university courses
 - attending graduate job fairs.

Assess the effectiveness of TWO of these different methods of recruitment.				



			(10)
	uited, B & R Engineerin	g Ltd does not have	a problem with staff
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 	(10)	Q5
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Quality of Written Co	ommunication: 5 marks	,
	R PAPER: 105 MARKS	
END		