

Oxford Cambridge and RSA Examinations
General Certificate of Secondary Education

BUSINESS STUDIES B (1952)
BUSINESS PROCESSES - SYNOPTIC PAPER
FOUNDATION TIER

2324/F

Specimen Paper 2003

Additional materials:

Pre-released Case Study material (2324/F & 2324/H (CS))
Candidates answer on the question paper.

TIME 1 hour 15 minutes

Candidate Name	Centre Number	Candidate Number								
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INSTRUCTIONS TO CANDIDATES

- Write your name, Centre number and Candidate number in the boxes above.
- Answer all the questions.
- Write your answers, in blue or black ink, in the spaces provided on the question paper.
- Read each question carefully and make sure you know what you have to do before starting your answer.

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 **60**.
- The quality of your written communication will be taken into account in marking your answers to questions marked with an asterisk (*).

Question number	For examiner's use only
1	
2	
3	
TOTAL	

Question 1

- (a) (i) State **one** possible business objective that Judy and Christopher may have had when they first bought the hotel.

_____ [1]

- (ii) State **one** different objective that they might have now.

_____ [1]

- (iii) Explain **one** reason why their objectives might have changed.

_____ [2]

- (b) (i) State **two** ways in which a business might measure its success.

1 _____

2 _____ [2]

- (ii) Using the figures in Fig. 1 of the case study, evaluate how well the business is performing.

_____ [4]

- (iii) Discuss what other information would be useful in evaluating how well the business is doing.

_____ [4]

- (c)** Judy and Christopher are looking at ways to increase the profits of the hotel.

Christopher has carried out some market research on the likely effectiveness of options A to E (lines 22-32).

Which of the following methods of data presentation would be most suitable for Christopher to use to present his findings to Judy?

- Tables of results
- Graphics and Charts
- Text

Give reasons for your answer.

[illegible]

[6]

[Total: 20]

Question 2

- (a) (i) Identify whether the following statements are true or false:

Lower prices for hotel rooms in the winter are likely to attract more customers.

True/False _____ [1]

Increased expenditure on advertising will always increase sales.

True/False _____ [1]

- *(ii) Judy and Christopher have noticed a decline in the number of overseas bookings. (Lines 38 and 39).

Advise Judy and Christopher on what they could do to increase the number of overseas bookings.

[6+2]

- (b) Judy and Christopher are looking at ways to increase the profits of the hotel and are considering options A to E listed in the case study.

Discuss how the opening of a new Motorlodge nearby might affect which option they choose.

[6]

- (c) If Judy and Christopher choose option D, they would have to make some of the restaurant staff redundant.

State and explain **two** possible effects that this might have on other local businesses.

[6]

[Total: 22]

Question 3

- (a)** Discuss the effects of option D on the following stakeholders:

the owners; _____

the customers. _____

[4]

- *(b)** Compare all five options (A-E) and advise Judy and Christopher what their best strategy for the future is. Give reasons for your choice.

[8+2]

- (c)** Explain how Judy and Christopher should best monitor the success of their strategy after it has been implemented.

[4]

[Total: 18]

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MARK SCHEME

Specimen Paper 2003

General advice on marking procedures to be used

- 1 An element of professional judgement is required in the marking of any written paper, and candidates may not use the exact words which appear in the detailed sheets which follow. If the Business Studies is correct and also answers the question then the mark(s) should normally be credited.
- 2 Mark in red. A tick (✓) should be used, at the appropriate point, for each answer judged worthy of credit.
- 3 Strike through all blank spaces and/or pages in order to give a clear indication that the whole of the script has been considered.
- 4 The mark total for each question should normally be ringed at the bottom right hand side.
- 5 In cases where candidates give multiple answers, mark the first answer(s) up to the total number required.
- 6 Some questions may have a 'Level of Response' mark scheme. Details of these are given in this Mark Scheme.
- 7 Abbreviations, annotations and conventions used in the detailed Mark Scheme
 - / = alternative and acceptable answers for the same marking point
 - NOT = answers which are not worthy of credit
 - = (underlining) key words which **must** be used to gain credit
 - ecf = error carried forward

Question 1
20 marks

1	(a)		Target: Ability to demonstrate knowledge and apply to case study material.	
		(i)	Possible start-up objectives include make a profit, run their own business, personal satisfaction. Identifies valid objective.	1
		(ii)	Current objective could relate to the text, e.g. survival, compete with new hotel or could relate to the options, e.g. increase revenue, cut costs. Identifies valid objective.	1
		(iii)	States possible reason for change, e.g. new competitor, declining foreign customers, reduced profit margins from coach companies - 1 mark. Explains how hotel has been affected - 1 mark.	2
	(b)		Target: Ability to demonstrate knowledge and understanding and to evaluate information provided.	
		(i)	States possible performance measures, e.g. profits, sales, sales revenue, staff turnover, productivity. X2	2
		(ii)	Evaluation of performance, e.g. calculation of profit as a percentage of sales (3.6%) and appropriate comment and conclusion, 1-2 marks. Simple comment on scale of profit or compared to revenue, 1 mark. Simple description from table, e.g. Yes, it is making a profit of 21,097, 1 mark.	4
		(iii)	Knowledge base: Financial information is only for one year. Need historical and cross-industry comparisons. Other measures could be used, e.g. Liquidity, Gross Profit, ROCE or non-financial measures such as Labour Turnover, Productivity. Identifies other information required - 1 mark Explains why needed - 1 mark X 2 Allow up to 4 marks for one reason well explained.	4

1	(c)		Target: Ability to analyse and evaluate appropriateness of different methods of data presentation.	
			<p>Knowledge Base Graphs/charts suitable for simple communication of large quantities of data. Tables suitable for complex sets of figures, comparative results. Text suitable for formal reports, drawing conclusions.</p> <p>Level 2 (4-6 marks) Recommends suitable method or methods of presentation and supports with arguments e.g. through comparison of advantages/disadvantages or discussing it in context of feedback to business partner.</p> <p>Level 1 (1-3 marks) Analyses option(s) giving advantages/disadvantages in context.</p>	6

Question 2
22 marks

2	(a)		Target: Ability to analyse situations as applied to the case study material and reach conclusions based on the information provided.	
		(i)	True (1) False (1)	2
		(ii)	<p>Options include reduce price/ special deals for overseas visitors, better promotion (option A), find other domestic markets, cut costs etc.</p> <p>Level 3 (4-6 marks) Evaluates possible options for Judy and Christopher and advises on best option in context of decline of overseas booking. Advice is backed up by evidence.</p> <p>Level 2 (2-3marks) Analyses in context of information provided in case study e.g. special deals for overseas visitors as more likely to attract them.</p> <p>Level 1 (1 mark) Explains possible options for Judy & Christopher in context of case study e.g. reduce prices of rooms.</p> <p>Candidates will also be assessed for their Quality of Written Communication on this part of the question, according to the following requirements:</p>	6
			Ideas are expressed clearly, fluently, legibly and in an appropriate way. There are few errors in spelling, punctuation and grammar.	2
			Straightforward ideas are expressed relatively clearly, legibly and appropriately. There may be some errors of spelling, punctuation and grammar, but these do not obscure the meaning of the answer.	1
			Candidate fails to reach the threshold standard in all respects.	0
				2

2	(b)		Target: Ability to evaluate effect of new competitor in context provided.	
			<p>Knowledge Base: Competitors cheaper except for single rooms. Competitor has better facilities. Competitor is part of a chain. Might seek to develop competitive strategy (options A-C). Option D looks unwise unless moving downmarket. May be too late for option E.</p> <p>Level 3 (5-6 marks) Candidate compares how opening of new competitor might change what will be the best option for the hotel e.g. option D is very similar to Motorlodge, so not so suitable anymore, may be better to choose option B.</p> <p>Level 2 (3-4 marks) Candidate analyses how the new competitor affects each option.</p> <p>Level 1 (1-2 marks) Candidate identifies possible effects of new competitor.</p>	6
	(c)		Target: Ability to synthesise business situation using material provided.	
			<p>Identifies effect, e.g. may result in price or non-price war with hotels, other businesses may suffer through job losses, more staff available for other businesses/ hotels.</p> <p>Identifies effect - 1 mark</p> <p>Explanation in context - 2 marks X 2</p>	6

Question 3
18 marks

3	(a)	Target: Ability to demonstrate knowledge and understanding and apply it to the context of the case material.	
		Identifies effect - 1 mark. Explains effect in context – 1 mark. X 2	4
	(b)	Target: Ability to evaluate options to reach a justified conclusion.	
		<p>Knowledge Base: Option A could be expensive - would need to be accurate especially with new competitor. Option B would again be expensive - little money available. New competitor might require investment in facilities. Option C could be viewed in the light of the new competitor. Option D seeks to cut costs rather than raise revenue. Need to convince customers. Might lead to an expected price decrease. Competitor might retaliate if successful - possible external effect on area and internal effect on staff. Option E could be recognising the reality of being forced out of the market. Resale value might be falling with new competitor. Possible loss of their objective of running their own business.</p> <p>Level 3 (6-8 marks) Candidate evaluates which is the best option or options either through comparison of options or by use of context described.</p> <p>Level 2 (3-5 marks) Candidate analyses an option or options in context.</p> <p>Level 1 (1-2 marks) Candidate explains why an option would be a good strategy.</p> <p>Candidates will also be assessed for their Quality of Written Communication on this part of the question, according to the following requirements:</p>	8
		Ideas are expressed clearly, fluently, legibly and in an appropriate way. There are few errors in spelling, punctuation and grammar.	2
		Straightforward ideas are expressed relatively clearly, legibly and appropriately. There may be some errors of spelling, punctuation and grammar, but these do not obscure the meaning of the answer.	1
		Candidate fails to reach the threshold standard in all respects.	0
			2

3	(c)		Target: Ability to demonstrate knowledge and apply to case situation in order to reach a reasoned judgement.	
			<p>Knowledge Base: Methods of monitoring could be formal or informal. Possibilities include number of customers, occupancy, revenue profit, staff turnover, productivity.</p> <p>Analysis of the effectiveness of system is provided, e.g. not just data collection but consequent action that counts 3 - 4 marks.</p> <p>Explanation of why monitoring is important - 2 marks.</p> <p>Identification of monitoring method - 1 mark.</p>	4