



# GENERAL CERTIFICATE OF SECONDARY EDUCATION

## BUSINESS STUDIES

Business and People

**A292**



Candidates answer on the Question Paper

**OCR Supplied Materials:**

None

**Other Materials Required:**

- Calculator may be used

**Friday 28 May 2010**

**Afternoon**

**Duration: 1 hour**



Candidate Forename					Candidate Surname				
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Centre Number						Candidate Number			
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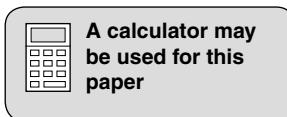
### MODIFIED LANGUAGE

#### INSTRUCTIONS TO CANDIDATES

- Write your name clearly in capital letters, your Centre Number and Candidate Number in the boxes above.
- Use black ink. Pencil may be used for graphs and diagrams only.
- Read each question carefully and make sure that you know what you have to do before starting your answer.
- Answer **all** the questions.
- Do **not** write in the bar codes.
- 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).

#### 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 when marking your answers to questions labelled with an asterisk (\*).
- This document consists of **16** pages. Any blank pages are indicated.



- 1 Healthy Teeth Partnership (HTP) is a dental practice which opened in 2004.

- (a) (i) From the list, tick **one** box which is a feature of a Partnership.

FEATURE	TICK
Shares can be sold to family and friends	
Income tax must be paid on profit	
The owners have limited liability	
Financial information is sent to Companies House	

[1]

- (ii) Name **one** stakeholder in Healthy Teeth Partnership. Explain why they have an interest in the business.

Stakeholder .....

Explanation .....

.....

[2]

- (b) In its **first year of trading** the objective for Healthy Teeth Partnership was to survive. It kept accurate records to help it to meet this objective.

- (i) Give **one** reason why keeping accurate records will help a business survive in its first year.

.....

[1]

- (ii) Give **one** reason **why** Healthy Teeth Partnership's objectives may have changed after its first year of business. Explain your answer.

.....

.....

[2]

(c) Before opening its business, Healthy Teeth Partnership looked at many locations.

- (i) Explain **two** factors which Healthy Teeth Partnership may have thought about/considered when locating its business.

Factor 1 .....

.....  
.....

Factor 2 .....

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.....

[4]

- (ii) Explain how the opening of Healthy Teeth Partnership may be good for **other** businesses in the area.

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[2]

(d) Good communication is important if a business is to be successful.

Name **two** appropriate methods Healthy Teeth Partnership might use to communicate with its **customers**. Explain your answers.

Method 1 .....

.....  
.....

Method 2 .....

.....  
.....

[4]

- (e) Healthy Teeth Partnership wants to become more competitive.

- (i) The table shows three actions which are likely or unlikely to help Healthy Teeth Partnership in becoming more competitive.

Show, with a **tick** (✓), which action is likely **or** unlikely to help Healthy Teeth Partnership become more competitive.

ACTION	<u>LIKELY</u> to help Healthy Teeth Partnership to become more competitive.	<u>UNLIKELY</u> to help Healthy Teeth Partnership to become more competitive.
Increase money spent on training employees.		
Employing poorly qualified workers.		
Increase money spent on updating ICT facilities.		

[3]

- \*(ii) Healthy Teeth Partnership is considering the **takeover** of an **established** local dental practice called **Perfect Smile**.

Discuss whether or not Healthy Teeth Partnership will benefit from the takeover of Perfect Smile.

In your answer you should refer to the advantages and disadvantages of takeovers.

[6]

- (f) Janice, one of the partners of Healthy Teeth Partnership, saw the following newspaper headline.

**HEADLINE**

**STAFF APPRAISAL IS INCREASING**

In 2009, 75% of businesses appraised employees. This has increased from 45% in 1999.

After reading the headline, Janice suggested that Healthy Teeth Partnership should introduce yearly appraisal of their staff.

Give **one** reason why a yearly appraisal of staff would be an advantage to Healthy Teeth Partnership.

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[3]

**[Total marks: 28]**

2 Cosy Beds Ltd makes and sells beds and mattresses. It sells to department stores across the UK and to the public directly over the internet.

(a) In 2005 Cosy Beds Ltd nearly went out of business. Its employees kept the business trading by forming a Worker Co-operative.

(i) Draw **one** line to the explanation which correctly describes a **Worker Co-operative**.

EXPLANATION

An issue of a licence to sell goods and services using somebody else's name

WORKER CO-OPERATIVE

A business which sells shares on the stock market

Business owned and controlled by its workers rather than outside shareholders.

[1]

(ii) Give **one** advantage and **one** disadvantage of operating the business as a Worker Co-operative.

Advantage .....

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Disadvantage .....

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[4]

- (b) By 2008 Cosy Beds Ltd had become profitable and now employed 40% more employees than in 2005.
- (i) One reason why Cosy Beds Ltd had become profitable is because it introduced **Total Quality Management (TQM)** into its production process.

Explain the meaning of TQM.

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[2]

- (ii) Give **one** advantage and **one** disadvantage to Cosy Beds Ltd of employing 40% more employees than in 2005.

Advantage .....

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Disadvantage .....

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[4]

- (c) The following headline recently appeared in a national newspaper.

**WHEN BUSINESSES COMPLY WITH THE HEALTH AND SAFETY AT WORK ACT BOTH EMPLOYEES AND MANAGEMENT CAN BENEFIT**

Explain **one** way in which Cosy Beds Ltd may benefit when the business complies with the Health and Safety at Work Act.

Benefit to Cosy Beds Ltd

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Explain **one** way in which the employees may benefit when the business complies with the Health and Safety at Work Act.

Benefit to Employees

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[4]

- (d) Fig. 1 shows the wage slip for Daniel Hernandez, an employee of Cosy Beds Ltd, for the week ending 12 May 2010

**Wage slip for Daniel Hernandez – Week ending 15 May 2010**

<b>Employee</b>	<b>Daniel Hernandez</b>		
<b>Week No:</b>	<b>6</b>		
<b>Pay</b>	<b>£</b>	<b>Deductions</b>	<b>£</b>
Basic Pay	500.00	Tax	100.00
Overtime Pay	75.47	Other deductions	62.56
Gross Pay	575.47	<b>Total Deductions</b>	<b>162.56</b>
<b>Net Pay</b>			

**Fig. 1**

- (i) Calculate Daniel's Net Pay earned in the week ending 15 May 2010.

Show your working

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[2]

- (ii) Cosy Beds Ltd plan to recruit a woman employee who will have the **same** duties and responsibilities as Daniel. They plan to pay her less than they pay him.

Explain why Cosy Beds Ltd will be breaking **two different laws** if they do this.

Law 1

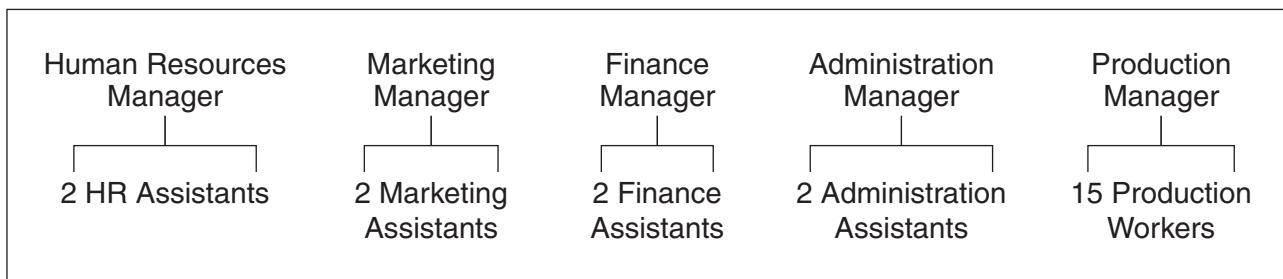
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Law 2

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[4]

- (e) Fig. 2 shows part of the internal organisational structure of Cosy Beds Ltd.



**Fig. 2**

- (i) Use an example from Fig. 2 to explain the meaning of the term **delegation**.

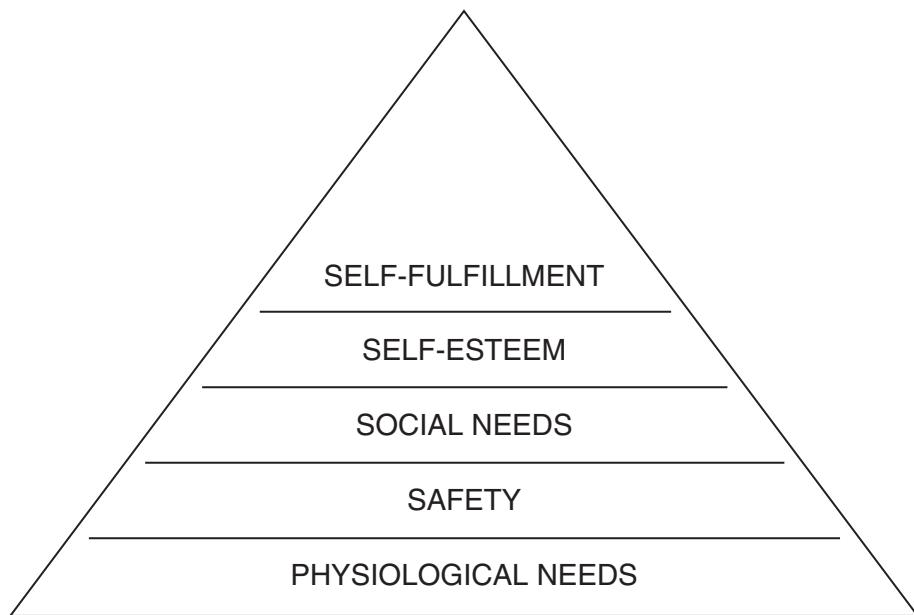
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 ..... [2]

- (ii) The two Finance Assistants **job share**.

Explain why job sharing may be better for Cosy Beds Ltd instead of employing one full time worker.

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 ..... [3]

- (iii) Each manager at Cosy Beds Ltd has been taught about **Maslow's Hierarchy of Needs**. Fig. 3 shows Maslow's Hierarchy of Needs.



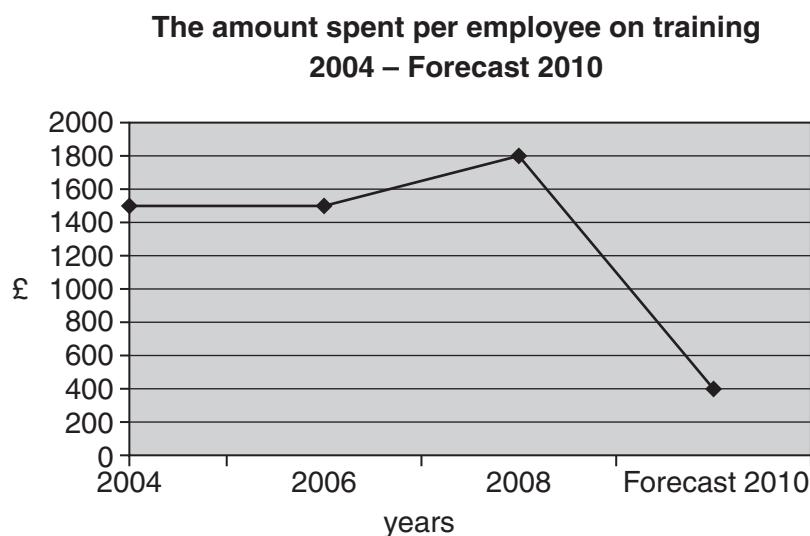
**Fig. 3**

Explain how Cosy Beds Ltd can help employees to reach **self-esteem**.

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[2]

- (f) Study the following information on training expenditure in the UK.



**Fig. 4**

Analyse the information shown in Fig. 4. Suggest **how** employees at Cosy Beds Ltd might be affected by the data.

Give reasons for your answer.

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[4]

**[Total marks: 32]**

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