| Centre No. | | | | | Pape | er Refer | ence | | | Surname | Initial(s) |
|------------------|--|--|---|---|------|----------|------|---|---|-----------|------------|
| Candidate No. | | | 4 | 3 | 3 | 0 | / | 1 | F | Signature | |

Paper Reference(s)

4330/1F

Edexcel IGCSE

Business Studies

Paper 1F

Foundation Tier

Wednesday 17 November 2010 - Morning

Time: 1 hour 30 minutes

| Materials required for examination | Items included with question papers |
|------------------------------------|-------------------------------------|
| Nil | Nil |

Instructions to Candidates

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

Some questions must be answered with a cross in a box (\boxtimes) .

If you change your mind about an answer, put a line through the box (x) and then mark your new answer with a cross (\boxtimes) .

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 3 questions in this question paper. The total mark for this paper is 60. There are 12 pages in this question paper. Any blank pages are indicated.

Advice to Candidates

You will be assessed on your ability to organise and present information, ideas, descriptions and arguments clearly and logically, including your use of grammar, punctuation and spelling.

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Total

Examiner's use only

Team Leader's use only

Question Number

1

2

3



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Read this page, then answer the questions which follow.

Context

Joan's Taxis is a business located in the United Kingdom. Joan is the owner, and runs the business as a sole trader. Joan's business is expanding, and she is currently recruiting and training new taxi drivers.

The taxis that Joan uses are manufactured by *Merchant Motors Ltd*, a company that uses flow production methods to make taxis.

The directors of *Merchant Motors Ltd* plan to start making motor vans and other commercial vehicles as well as taxis. They will need to recruit more employees to make these vans and commercial vehicles. Both *Joan's Taxis* and *Merchant Motors Ltd* value the importance of induction training.



2

| Leave |
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Answer ALL questions.

Some questions must be answered with a cross in a box (\boxtimes) . If you change your mind about an answer, put a line through the box (\boxtimes) and then indicate your new answer with a cross (\boxtimes) .

| a | nswe | er, pu | ıt a I | ine through the box $($ | ver with a cross (| ₫). |
|----|------|--------|--------|--|--------------------|-----|
| 1. | (a) | (i) | Co | ntrolling the amount of pollution from taxis is an examp | le of | |
| | | | A | an economic influence | × | |
| | | | В | an environmental influence | \boxtimes | |
| | | | C | a social influence | \boxtimes | |
| | | | D | a technological influence | \boxtimes | (1) |
| | | (ii) | An | example of division of labour is where employees | | |
| | | | A | divide their earnings equally | × | |
| | | | В | divide their work areas | × | |
| | | | C | specialise in certain tasks | \boxtimes | |
| | | | D | split their day into different parts | \times | (1) |
| | | (iii) | 'Lt | d' in its name means that Merchant Motors Ltd | | |
| | | | A | has limited funds available to invest | \boxtimes | |
| | | | В | has limited time only to make and sell its products | \boxtimes | |
| | | | C | is limited to making taxis only | \boxtimes | |
| | | | D | is a limited liability company | \boxtimes | (1) |
| | | (iv) | Cu: | stomers and the local community are examples of Merch | hant Motors Ltd's | 8 |
| | | | A | services | \boxtimes | |
| | | | В | shareholders | X | |
| | | | C | stakeholders | \boxtimes | |
| | | | D | suppliers | \boxtimes | (1) |
| | | (v) | Jod | an's Taxis is owned by Joan, a sole trader. This means the | at Joan can | |
| | | | A | employ as many people as she wants to | \boxtimes | |
| | | | В | employ nobody else because she is the sole trader | \boxtimes | |
| | | | C | only employ drivers because of the work that is done | \boxtimes | |
| | | | D | only employ people to work when she is in the office | \boxtimes | (1) |
| | | | | | | |



3

| b) v | What would be one benefit to <i>Merchant Motors Ltd</i> from employing specialists? |
|---------------------|--|
| <i>(</i>) (| vitat would be one benefit to merenam motors his from employing specialists. |
| • | |
| • | |
| | |
| | |
| | |
| | (3) |
| The N | Marketing Department of Merchant Motors Ltd carries out different marketing tasks. |
| | Using the list of business tasks below, select and tick the four tasks that are most tkely to be carried out by the Marketing Department. |
| | Tick only four boxes. |
| | Producing the company's final accounts |
| | Organising the production of the company's taxis |
| | Arranging distribution of the products |
| | Examining the product life-cycle of a type of taxi |
| | Interviewing candidates who have been shortlisted |
| | |
| | Promoting staff who have worked hard |
| | Creating the budgets for the company |
| | Suggesting a suitable pricing strategy for the taxis |
| | Promoting the taxis made by the company (4) |
| | |
| | |
| | |
| | |

Leave blank The work at Joan's Taxis is labour-intensive. The work at Merchant Motors Ltd is capitalintensive. (d) What is the difference between **labour-intensive** work and **capital-intensive** work? **(2)** Some of *Merchant Motors Ltd*'s employees receive productivity bonuses. (e) (i) What is meant by the term 'productivity'? **(2)** Analyse **two** ways that *Merchant Motors Ltd* could increase its productivity. (ii) Q1 (Total 20 marks)



| Leave |
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| blank |

| (a) De | escribe one way that budgeting ca | n help Joan in running | her business. | | |
|---------|--|--------------------------|---------------------|--|--|
| ••• | | | | | |
| ••• | | | | | |
| ••• | | | | | |
| ••• | | | (1 | | |
| Joan ha | as produced an extract from her B | alance Sheet for 2009. | | | |
| | Current Assets | £ | | | |
| | Stock of goods | 2 000 | | | |
| | Debtors (credit customers) Cash in hand and at bank | 2 000 6 000 | | | |
| | Current Liabilities | £ | | | |
| | Creditors (suppliers on credit) Bank overdraft | 2500 7500 | | | |
| (b) (i) | (i) Using these figures and the formulas below, calculate the Current Ratio and Acid Test Ratio. | | | | |
| | Current Ratio = Curr | ent Assets : Current Lia | bilities | | |
| | Acid Test Ratio = Cu | rrent Assets – Stock : C | Current Liabilities | | |
| | Current Ratio | | | | |
| | | | | | |
| | | | | | |
| | | | (2 | | |
| | Acid Test Ratio | | | | |
| | | | | | |
| | | | | | |

Leave blank

| | recruiting new taxi drivers. |
|-----------------|--|
| Sta | ie three Hems that are likely to be incliided in the 100 description for a new ta |
| | te three items that are likely to be included in the job description for a new ta |
| driv | |
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| | |
| | ver. |
| | ver. |
| driv | taxi drivers are put on the induction training course run by <i>Joan's Taxis</i> . |
| driv l new | taxi drivers are put on the induction training course run by <i>Joan's Taxis</i> . The three items of information that would be suitable to include in induction to the induction that would be suitable to include in induction that would be suitable to include its ac |
| driv l new | taxi drivers are put on the induction training course run by <i>Joan's Taxis</i> . |
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| driv | taxi drivers are put on the induction training course run by <i>Joan's Taxis</i> . The three items of information that would be suitable to include in inductioning. |
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| driv l new trai | taxi drivers are put on the induction training course run by <i>Joan's Taxis</i> . The three items of information that would be suitable to include in inductioning. |



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| (e) Wh | at would be one benefit of induction training to | Leave blank |
|--------|---|----------------|
| | | |
| (1) | a new taxi driver? | |
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| | | |
| | (2) | |
| (ii) | Joan's Taxis? | |
| | | |
| | | |
| | | |
| | | |
| | (2) | Q2 |
| | (Total 20 marks) | |
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| 3. | Joan's | Taxis buys taxis from Merchant Motors Ltd. |
|----|---------|---|
| | (a) (i) | Give one example of a suitable source of finance for <i>Joan's Taxis</i> , and one different example for <i>Merchant Motors Ltd</i> . |
| | | |
| | | |
| | | (2) |
| | (ii) | Give one example of a suitable use of profits for <i>Joan's Taxis</i> , and one different example for <i>Merchant Motors Ltd</i> . |
| | | |
| | | |
| | | |
| | | (2) |
| | Mercha | nt Motors Ltd makes its taxis using the flow (mass) method of production. |
| | (b) (i) | State two features of flow production. |
| | | |
| | | |
| | | |
| | | (2) |
| | | (-) |

M 3 7 7 0 1 A 0 9 1 2

9

| (ii) | Evaluate <i>Merchant Motors Ltd</i> 's decision to use flow production when making its taxis. | | | | | | |
|------|---|--|--|--|--|--|--|
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| | (8) | | | | | | |

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Leave

| c) What would be the adva | antages to the directors of using both primary and secon | ndary |
|---------------------------|--|--------|
| market research to see w | whether there is a market for these motor vehicles? | idai y |
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| | | (6) |
| | (Total 20 ma | arks) |
| | TOTAL FOR PAPER: 60 MA | RKS |
| | END | |
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