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**

Monday 7 June 2010 - Morning

Time: 1 hour 30 minutes

Materials required for examination	Items included with question paper
Nil	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.

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 mark your new answer with a cross  $(\boxtimes)$ .

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**

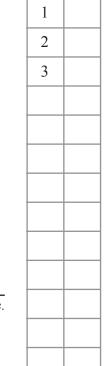
You will be assessed on your ability to organise and present information, ideas, descriptions and arguments clearly and logically, including your use of grammar, punctuation and spelling.

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Examiner's use only

Team Leader's use only

Question Number Leave Blank

Turn over

Total



W850/4330/57570 6/6/

#### Read this page, then answer the questions which follow.

#### Context

HH Ltd is a private limited company that makes pianos, organs and other keyboard instruments. Its main factory and offices are located in the United Kingdom.

HH Ltd is organised into different departments. Each department is under the control of a specialist manager. It is a company that is rapidly growing as it continues to benefit from economies of scale.

HH Ltd carries out primary (field) and secondary (desk) market research to discover trends in the demand for keyboard instruments. The company is researching into new electronic keyboard instruments so that it can compete successfully with other manufacturers.

HH Ltd supplies the instruments it makes directly to shops specialising in selling musical instruments. Keitel's is a chain of shops that sells musical instruments, and is a customer of HH Ltd.





#### Answer ALL the questions.

For each of the questions (i) – (v), indicate your answer by marking the box  $(\boxtimes)$ . If you change your mind, put a line through the box  $(\boxtimes)$  and then indicate your new answer with a cross  $(\boxtimes)$ .

1.	(a)	(i)	The	e business taxes paid by HH Ltd are set and cha	inged by
			A	competitors	
			В	customers	
			C	government	$\boxtimes$
			D	suppliers	
		(ii)	Usi	ing lean production methods will help lower Hi	H Ltd's
			A	capital	$\boxtimes$
			В	commission	
			C	communications	
			D	costs	
		(iii)		e Sales Manager at <i>HH Ltd</i> is paid a one-off sur if sales targets are met. This is known as a	am of money at the end of the
			A	bonus	
			В	payslip	$\boxtimes$
			C	salary	$\boxtimes$
			D	wage	
		(iv)	As	a manufacturer, <i>HH Ltd</i> is in the	
			A	primary sector	
			В	secondary sector	$\boxtimes$
			C	tertiary sector	$\boxtimes$
			D	public sector	$\boxtimes$

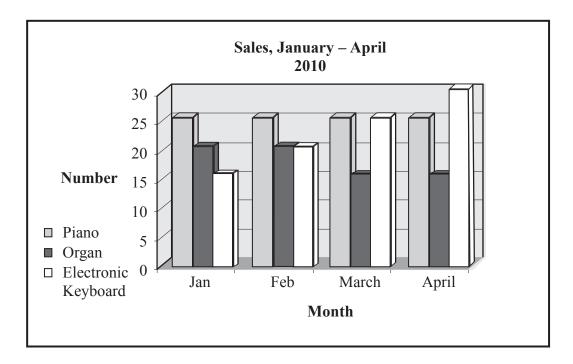
(v)	An example of an asset that HH Ltd will have	ve is
	A capital	$\boxtimes$
	B cash	$\boxtimes$
	C salaries	$\boxtimes$
	D sales	
		(5)
	ectors of <i>HH Ltd</i> are meeting to discuss its ill also discuss 'below the line' promotional t	
(b) (i)	What is the difference between 'market segr	ments' and 'market share'?
		(2)
(ii)	Name <b>two</b> 'below the line' promotional tech	niques
(11)	Traine two delevi the line promotional teels	and a second
		(2)
		(2)
HH Ltd	benefits from economies of scale.	
(c) (i)	Define the term 'economies of scale'.	
		(2)



	 (1)
ow could <i>HH Ltd</i> benefit from the following two economies of scale?	. ,
Financial	•••
	•••
(.	(3)
) Managerial	
	•••
	•••
·····	 (3)
	.5)
d uses methods such as lean production and Just In Time (JIT) stock control.	
hat is meant by 'JIT stock control'?	
(2	 (2)

2. Keitel's is a chain of shops that sells musical instruments made by HH Ltd.

The following chart shows recent sales figures for three types of instruments sold by *Keitel's*.



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.....

**(1)** 

(ii) Calculate the total number of all instruments sold in March.

.....

**(1)** 

For question (iii) indicate your answer by marking the box  $(\boxtimes)$ . If you change your mind, put a line through the box  $(\boxtimes)$  and then indicate your new answer with a cross  $(\boxtimes)$ .

(iii) Identify the best-selling type of instrument in this four-month period.

Piano

X

Organ

X

Electronic Keyboard

**(1)** 



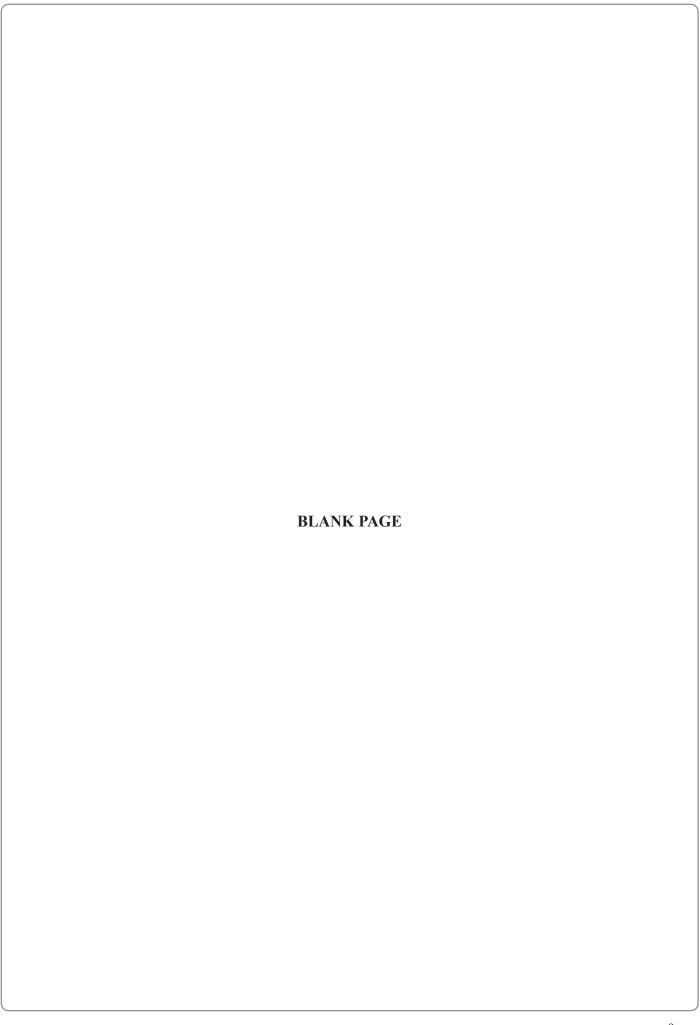
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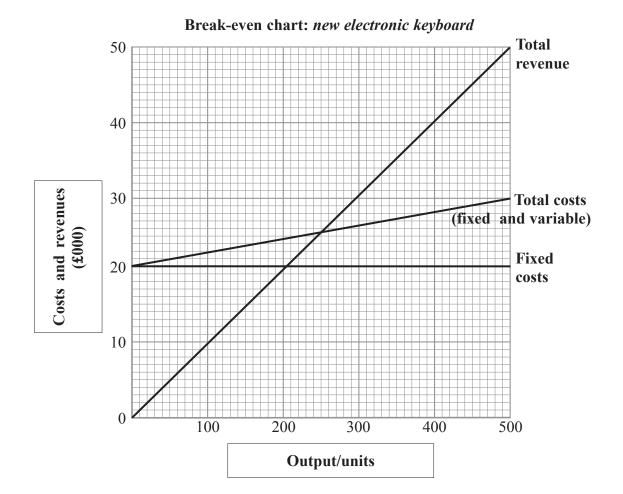
<i>(</i> ;;	i) What would be one department of their their Finance of Voitel's?	
(11	i) What would be <b>one</b> department, <b>other than Finance</b> , at <i>Keitel's</i> ?	
	(1)	
	<i>Keitel's</i> employees has money that she could invest in <i>HH Ltd</i> (a limited company) <i>Keitel's</i> (a partnership).	
	stify why the employee's investment might be safer in <i>HH Ltd</i> rather than in eitel's.	
•••		
•••		
•••		
•••		
•••		
•••	(4)	
	(Total 20 marks)	_







**3.** The directors of *HH Ltd* are planning to make a new electronic keyboard. A break-even chart for this keyboard is shown below.



- (a) (i) What is the difference between fixed costs and variable costs?

  (2)
  - (ii) Give **two** likely variable costs for *HH Ltd*.

(b) (i) What would be the break-even output <b>and</b> the break-even revenue for the new electronic keyboard?
Break-even output
Break-even revenue £(2)
(ii) Using the chart, identify the profit or loss if HH Ltd made and sold
• 200 new electronic keyboards
• 400 new electronic keyboards.
In each case, state whether it is a profit or a loss.
200
400(4)
The directors of <i>HH Ltd</i> will want to measure the success of the new electronic keyboard.
(c) State <b>three</b> ways that they could measure whether the new electronic keyboard is successful.
(3)

Turn over for question 3(d)



Leave

blank The new electronic keyboard will be sold in a very competitive market. HH Ltd will need to set a price for the electronic keyboard. The directors will choose one of the following pricing strategies for the electronic keyboard. Cost plus Competition. (d) How would **each** pricing strategy work in this situation? **(4)** The directors have now decided to price the new electronic keyboard using cost plus pricing. (e) To what extent is this a suitable pricing strategy for the directors to use? Q3**(3)** 

(Total 20 marks)

**TOTAL FOR PAPER: 60 MARKS** 

**END** 

