



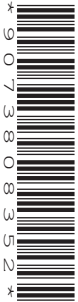
Oxford Cambridge and RSA

Friday 26 May 2023 – Afternoon

AS Level Business

H031/02 The wider business environment

Time allowed: 1 hour 30 minutes



You must have:

- the Resource Booklet

You can use:

- a calculator



Please write clearly in black ink. **Do not write in the barcodes.**

Centre number

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 Candidate number

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First name(s) _____

Last name _____

INSTRUCTIONS

- Use black ink.
- Write your answer to each question in the space provided. You can use extra paper if you need to, but you must clearly show your candidate number, the centre number and the question numbers.
- Use the Resource Booklet to answer the questions in **Section B**.
- Answer **all** the questions.

INFORMATION

- The total mark for this paper is **60**.
- The marks for each question are shown in brackets [].
- Quality of extended response will be assessed in questions marked with an asterisk (*).
- This document has **16** pages.

ADVICE

- Read each question carefully before you start your answer.

2
Section A

1 Explain what is meant by an apprenticeship.

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.....

.....

..... [2]

2 An extract from a company's statement of financial position is shown below.

	£000's	£000's
Current assets		
Inventories	60	
Trade and other receivables	20	
Cash and cash equivalents	10	90
Current liabilities		
Trade and other payables	80	
Overdraft	40	120

Calculate the acid test ratio.

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Answer [2]

3 Explain the difference between cash flow and profit.

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..... [2]

4 Explain **one** way a business can comply with each of the following:

Intellectual property legislation

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Consumer protection legislation

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..... [4]

- 5 A manufacturing business is considering purchasing a new piece of machinery. Estimated investment appraisal data is shown in the table below.

	Cashflow (£)	Discount factor (10%)	Present value (£)
Year 0	(10 000)	1	(10 000)
Year 1	5 000	0.909	4 545
Year 2	5 000	0.826	4 130
Year 3	5 000	0.751	3 755

Calculate the estimated net present value (NPV) for this investment.

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Answer [2]

- 6 Explain **one** advantage and **one** disadvantage to a business of product differentiation.

Advantage

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Disadvantage

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[4]

7 A heating engineer has completed the following jobs over the past week:

	Direct costs (£)	Indirect costs (£)	Price (£)
Boiler replacement	900	100	1500
Central heating service	80	10	200
Radiator replacement	600	75	1000
Gas safety test	15	15	55

Calculate the engineer's added value for the week.

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Answer [2]

8 State **two** determinants of supply.

1

2

[2]

Section B

Use the **Resource Booklet** to answer the questions.

9 Explain what is meant by the term ‘limited liability’ (lines 3–4).

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..... [2]

10 Calculate the change in McLaren’s road car labour productivity between 2018 and 2019.

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.....

Answer [2]

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12 (a) Explain the difference between product orientation and customer orientation.

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..... [2]

(b) Identify **two** examples of product orientation at McLaren Group.

1
.....
2
..... [2]

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END OF QUESTION PAPER

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