

OCR

Oxford Cambridge and RSA

Tuesday 24 May 2016 – Afternoon

AS GCE BUSINESS STUDIES

F292/01 Business Functions

Candidates answer on the Question Paper.

OCR supplied materials:

- Clean copy Case Study (F292/01/CS)

Other materials required:

- A calculator may be used

Duration: 2 hours



Candidate forename		Candidate surname	
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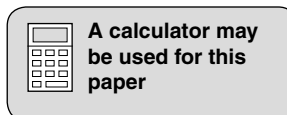
Centre number						Candidate number				
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INSTRUCTIONS TO CANDIDATES

- Write your name, centre number and candidate number in the boxes above. Please write clearly and in capital letters.
- Use black ink. HB pencil may be used for graphs and diagrams only.
- Answer **all** the questions. You should not need to spend more than 30 minutes on Section A.
- Read each question carefully. Make sure you know what you have to do before starting your answer.
- 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).
- Do **not** write in the bar codes.

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 **90**.
- Your Quality of Written Communication will be assessed in the question marked with an asterisk (*).
- This document consists of **16** pages. Any blank pages are indicated.



Section A

Answer **all** the questions

Question 1 does **not** relate to the SBL case study.

1 (a) Identify **two** advantages to a firm of using a customer orientated approach.

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[2]

(b) Define the term 'direct cost'.

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[2]

(c) State **two** different pricing methods which a business may use.

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[2]

(d) The table below shows incomplete budgeting data for a small business. Complete the missing data in the four unshaded boxes. **[4]**

	Forecast (£)	Actual (£)	Variance (£)	Favourable/Adverse
Sales revenue	26 000		2500	Favourable
Labour costs		12 300	4300	Adverse
Other costs	5600	5500	100	
Profit	12 400	10 700	1700	

(e) Explain **two** factors which a firm should consider when deciding on the most appropriate span of control for its organisational structure.

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[4]

(f) Outline **two** advantages to a firm of using quality assurance techniques to help improve quality.

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[4]

Section B

Answer **all** the questions

Questions 2–5 are based on the SBL case study. Your answers should make specific reference to the issues facing SBL.

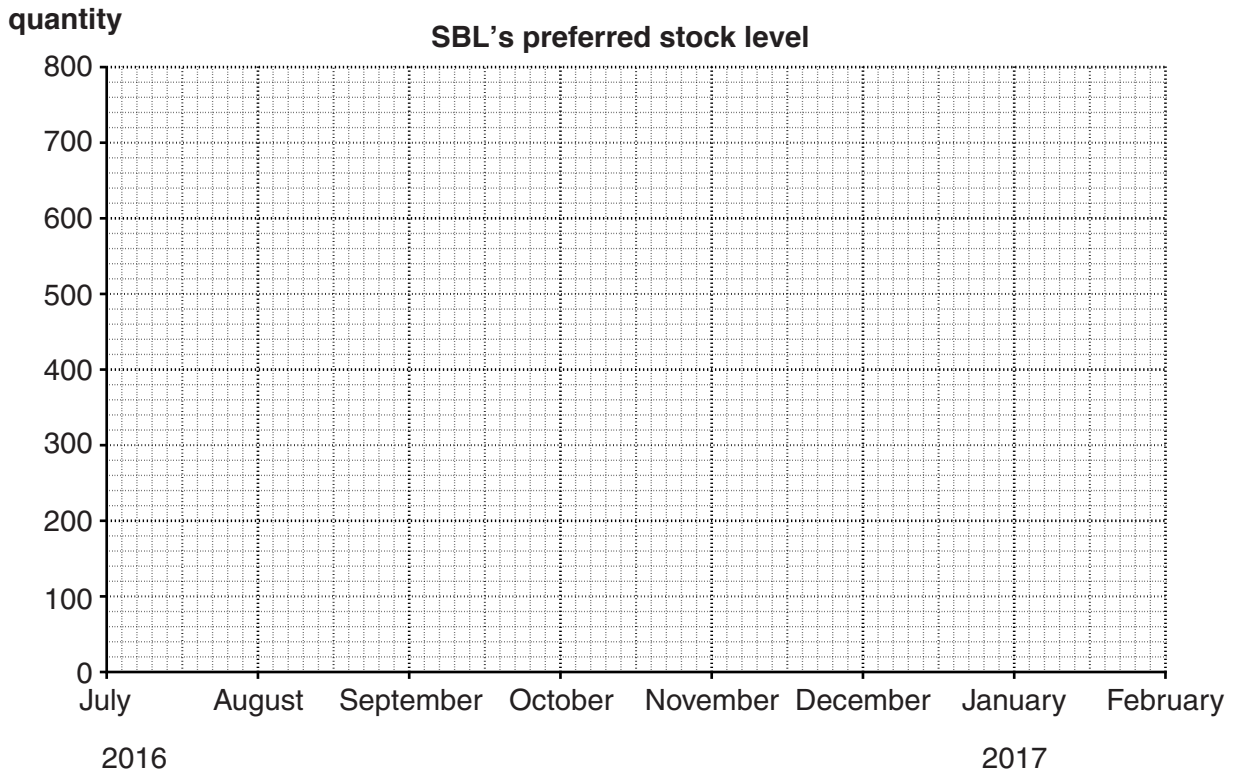
2 (a) George thinks he has identified an ‘ideal’ stock control pattern for the majority of SBL’s bears. He has established the following:

- a maximum stock level of 700
- a buffer stock level of 100
- average sales of 200 bears per month
- a lead time for ordering new stock of two months.

Assuming that stock levels are at a maximum at the start of July 2016, complete the stock control diagram below.

Clearly label:

- the maximum stock
- the buffer stock level
- the re-order level.



[4]

(b) Good stock control is one aspect of operational efficiency.

Evaluate the possible impacts on SBL's operational efficiency of changing from job production to batch production in its UK factory. **[16]**

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3 Assess the extent to which SLB may benefit from completing more detailed and accurate cash-flow forecasts. **[16]**

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4 Should SBL use its website as an additional channel of distribution? Justify your answer. [16]

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5* Anthony Beard has made some proposals about changes to the way in which the UK-based production staff are organised (lines 142–151).

Discuss how the use of motivational theories may help SBL to decide on the most appropriate way to organise and motivate its production staff. **[20]**

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END OF QUESTION PAPER



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