

Wednesday 23 May 2018 – Morning

GCSE APPLIED BUSINESS

A241/01 Business in Action

Candidates answer on the Question Paper.

OCR supplied materials:
None

Other materials required:
• A calculator may be used

Duration: 1 hour 30 minutes



| | | | |
|-----------------------|--|----------------------|--|
| Candidate forename | | Candidate surname | |
|-----------------------|--|----------------------|--|

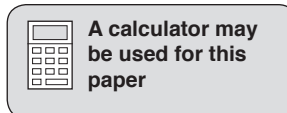
| | | | | | | | | | | |
|---------------|--|--|--|--|--|------------------|--|--|--|--|
| Centre number | | | | | | Candidate number | | | | |
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INSTRUCTIONS TO CANDIDATES

- 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.
- 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 barcodes.

INFORMATION FOR CANDIDATES

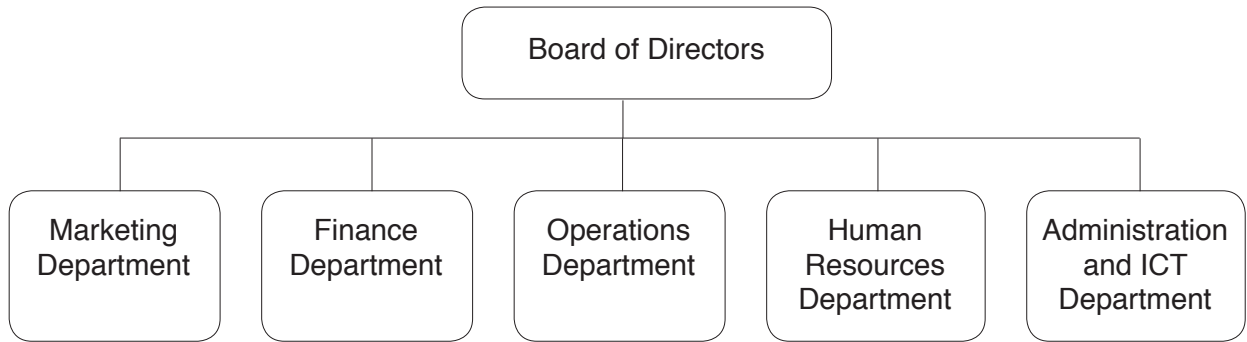
- The number of marks is given in brackets [] at the end of each question or part question.
- Your Quality of Written Communication will be assessed in questions marked with an asterisk (*).
- The total number of marks for this paper is **80**.
- This document consists of **16** pages. Any blank pages are indicated.



Text 1

Performance plc has been producing sports equipment for over 40 years. Its product range includes goal posts, athletics equipment, balls, diving boards, bats and racquets. The company has been very successful and is now the leading sports equipment producer in Europe.

Performance plc has separate departments for each of its main functional areas as shown in the chart below. Like all businesses, Performance plc is affected by changes in its external environment.



1 Refer to Text 1.

(a) Complete the sentence below using **one** of the following terms:

- manufacturing
- retailing
- service provision.

The business activity in which Performance plc is involved is.....

..... [1]

(b) Describe the role of the marketing functional area in a business.

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..... [2]

(c) Describe the role of the finance functional area in a business.

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..... [2]

(d) Identify **two** consequences to Performance plc if its Operations Department fails to operate efficiently.

1
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2
..... [2]

(e) Performance plc is a public limited company.

(i) State and explain **one** advantage to Performance plc of it being a public limited company.

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..... [2]

(ii) State and explain **one** disadvantage to Performance plc of it being a public limited company.

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..... [2]

- (f) Changes in the economic environment impact on all businesses.

Draw a line between each change in an economic factor listed below and the impact which applies to it. You should only draw **three** lines.

Change in economic factor

Impact

Increased unemployment

Workers have more money to spend

Mortgage repayments become cheaper

Higher interest rates

The cost of borrowing money increases

Greater inflation

Prices in shops rise more quickly

More people apply for job vacancies

[3]

(g)* New competitors have entered the European sports equipment market.

In response to this increase in competition, Performance plc could:

- reduce the prices of its sports equipment
- increase its television advertising and sponsorship
- develop new and innovative product designs.

Explain the impact on Performance plc of each of these **three** responses. Which of these three responses would be best for Performance plc to choose? Give reasons for your answer. **[10]**

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Text 2

Performance plc has more than 20 000 employees. All employees are expected to help the business operate in an enterprising way. In addition, the directors believe that it is important for the company to be seen as an ethical employer.

2 Refer to Text 2.

(a) Which **three** of the following expectations should Performance plc have of its employees?

Show your answer by circling your choices. Circle **three** tasks only.

be punctual

provide training

work safely

follow rules

pay wages

[3]

(b) Explain **three** rights which employees have under the Employment Rights Act.

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[6]

(c) Explain **three** benefits to a business you have studied of operating in an enterprising way.

Name of business

Activity of business

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2

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[6]

(d) Identify **two** ways in which a business such as Performance plc can be seen to be an ethical employer.

1

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2

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[2]

(e) Identify **two** likely consequences to a business such as Performance plc of **not** being seen to be an ethical employer.

1

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2

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[2]

Text 3

The directors of Performance plc know the importance of setting company objectives.

Over the years the directors have introduced a lot of ICT equipment and software into the company. They realise that this ICT equipment and software may soon need to be upgraded.

3 Refer to Text 3.

- (a) State **one** possible business objective for Performance plc.

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..... [2]

- (b) Explain **two** reasons why it is important for businesses to set objectives.

1

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2

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[4]

(c) Performance plc uses many different types of ICT. These include:

- A spreadsheets
- B databases
- C the Internet
- D email
- E networks

Complete the table below to show which type of ICT is the most suitable to use for each purpose. Write the correct **letter** from the list above into the table below.

| Purpose of ICT | Type of ICT (A, B, C, D or E) |
|----------------------------|----------------------------------|
| To monitor sales | |
| To store employee details | |
| To link computer equipment | |

[3]

(d)* Evaluate potential benefits to a business which you have studied of investing in **new** ICT equipment and software. Give reasons for your answer. [10]

Name of business

Activity of business

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Text 4

An upturn in the economy and an increasing desire for a healthy lifestyle have led to an increased demand for sports equipment. The directors of Performance plc have decided that it is time to expand the company.

The company is planning to buy a piece of land in the heart of the Welsh countryside to build a new factory. The new factory will operate 24 hours a day. This will greatly increase the amount of sports equipment which the company can produce. However, the expansion is not without risk. The cost of the expansion will use up all of the company’s retained profits and a bank loan will be needed.

4 Refer to Text 4.

(a) Other than physical expansion, explain **two** ways in which a business such as Performance plc could react to an upturn in the economy.

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[4]

(b)* The following stakeholder groups will have different interests in Performance plc’s planned expansion:

- employees
- local community
- shareholders.

Evaluate possible consequences to Performance plc if the directors do **not** listen to **each** of the stakeholder groups listed above during the planned expansion.

Which of these stakeholder groups would have the greatest impact on Performance plc?
Give reasons for your choice. **[10]**

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A series of 25 horizontal dotted lines for writing.

