Write your name here

Surname	Other names

Pearson Edexcel GCE

Centre Number | Candidate Number

Business Studies

Advanced Subsidiary
Unit 2A: Managing the Business

Tuesday 3 June 2014 – Morning
Time: 1 hour 15 minutes

Paper Reference
6BS02/01

You do not need any other materials.

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions in Section A and Section B.
- Answer the questions in the spaces provided – *there may be more space than you need.*
- You may use a calculator.

Information

- The total mark for this paper is 70.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*
- Quality of written communication will be taken into account in the marking of your response to Question 12 in Section B. This question is indicated with an **asterisk***
  – *you should take particular care on this question with your spelling, punctuation and grammar, as well as the clarity of expression.*

Advice

- Read each question carefully before you start to answer it.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ▶

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P 4 3 1 8 7 A 0 1 1 6

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SECTION A

Answer ALL the questions in this section.

Write the letter of your chosen answer in the box and then explain your choice in the space provided.

You should spend 30 minutes on this section. Use the data to support your answers where relevant. You may annotate and include diagrams in your answers.

1 (a) Dell Computers uses a lean management system called 'build to order' in all of its computer manufacturing centres.

Lean management is **most likely** to lead to

(1)

A high stock levels

B long product development lead times

C greater efficiency

D excess capacity

Answer ☐

(b) Explain your answer.

(3)

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(Total for Question 1 = 4 marks)

2 (a) Sir Richard Branson, Chief Executive of the Virgin Group, uses delegation to manage his business empire.

Delegation is **most likely** to result in

(1)

A workers lower down the hierarchy making fewer decisions

B closer supervision of the workforce

C empowerment of employees

D a centralised organisational structure

Answer ☐

(b) Explain your answer.

(3)

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(Total for Question 2 = 4 marks)

3 (a) In 2012, the Royal Mail announced a 30% price increase for First Class stamps to 60p.

If the price elasticity of demand is -2, demand will

(1)

A rise by 60%

B fall by 60%

C rise by 15%

D fall by 15%

Answer

(b) Explain your answer.

(3)

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(Total for Question 3 = 4 marks)

4 (a) The owners of Fever Tree, a mixer drinks company, compare budgeted overhead figures with actual figures.

Which **one** of the following is **most likely** to be achieved as a result of this?

(1)

A Credit check prospective clients

B Identify variance issues

C Hold more stock than they need to

D Take on large new orders

Answer ☐

(b) Explain your answer.

(3)

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(Total for Question 4 = 4 marks)

5 (a) Marc Bolland, Chief Executive of Marks & Spencer, recently said "We could have sold 300,000 items of knitwear, but only sold 100,000 because of a lack of stock".

The **most likely** reason for this situation was due to poor

(1)

A forecasting of consumer needs

B promotion of products

C levels of sales

D pricing strategy

Answer ☐

(b) Explain your answer.

(3)

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(Total for Question 5 = 4 marks)

6 (a) The Grand Hotel in Scarborough, England, employs a flexible labour force.

A flexible labour force is **least likely** to be achieved by which **one** of the following?

(1)

A Part-time contracts

B Short-term contracts

C Calling staff in at short notice

D Sharing profits with staff

Answer ☐

(b) Explain your answer.

(3)

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(Total for Question 6 = 4 marks)

TOTAL FOR SECTION A = 24 MARKS

SECTION B

Answer ALL the questions in this section.

You are advised to spend 45 minutes on this section.

Evidence A

Stumbling giant planning a revival

Tesco's sales fell by 2.3% over the 2011 Christmas period. Profits for 2011 are down to £3.8bn, and as a result, its share price fell 16% in one day. However, as the share price fell, Warren Buffet, the globally respected investor, purchased 150 million shares in Tesco which still had group sales of £72bn in 2011.

Chief Executive Philip Clarke admitted Tesco had been building too many big stores when more customers were shopping online and returning to the high street. Clarke wants to improve the shopping experience by refurbishing stores and employing more staff to serve. He said, "retail is a game of loyalty – we need to earn customers' lifetime loyalty".

Tesco used to be the market leader in innovation – the first with a loyalty card, different sized store formats and value product lines. Tesco operates six different types of store, with Tesco Express, one of the smallest, accounting for around half of its 2,900 stores.

Other supermarkets have now caught up – Morrisons has recreated a high street feel in-store; Waitrose has retained quality and become more competitive on price; Sainsbury's advertising has been successful, as has Marks & Spencer's £10 dine-in deal.

Tesco, whose slogan 'Every little helps' tempted customers in the past, is to review its 'brand communication' and is inviting a number of advertising agencies to suggest alternative promotions.

Tesco has large cash reserves. It is spending up to £400m on 200 new stores. It is also using softer colours and friendlier signposting in its stores. Tesco now has a 'click and collect' service in 1600 stores. This allows 80% of the country to order an item online and pick it up from a store within a five minute drive.

Tesco faces strong competition from Lidl and Aldi, two supermarkets positioned at the cheaper end of the market. However Tesco, the UK's biggest private employer, remains the market leader by some margin, with approximately 30% of the market.

(Source: adapted from articles in *The Times*, January 20, 2012, 8 April and 19 April 2012)

7 Explain **one** reason why branding is important for Tesco.

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(Total for Question 7 = 4 marks)

8 Explain **one** reason why Tesco might want to manage supplier credit terms.

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(Total for Question 8 = 4 marks)

9 Analyse **two** ways Tesco could use its marketing mix to respond to current social trends.

(Total for Question 9 = 8 marks)

10 Assess whether Tesco should focus its recruitment on people with skills or people with a positive attitude.

(Total for Question 10 = 8 marks)

11 Evaluate whether Tesco should use just in time (JIT) management for its smaller stores, such as Tesco Express.

(Total for Question 11 = 8 marks)

***12** Assess how important each of the following is to Tesco's continuing success:

(a) cash

(7)

(b) profit.

(7)

(Total for Question 12 = 14 marks)

TOTAL FOR SECTION B = 46 MARKS
TOTAL FOR PAPER = 70 MARKS

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