



GCE A level

1084/01

BUSINESS STUDIES – BS4

A.M. WEDNESDAY, 18 June 2014

2 hours

ADDITIONAL MATERIALS

In addition to this examination paper you will need:

- a calculator
- a 12 page answer book.

INSTRUCTIONS TO CANDIDATES

Use black ink or black ball-point pen.

Write your answers in the separate answer book provided.

Answer **all** the questions in Section A and **one** question from Section B.

You are advised to spend no more than 1 hour and 15 minutes on Section A.

Page 4 should be torn out and placed in your answer book.

INFORMATION FOR CANDIDATES

The number of marks is given in brackets at the end of each question.

You are reminded that assessment will take into account the quality of written communication used in answers that involve extended writing (Section B).

You are reminded that the essay questions in Section B are synoptic and so will test understanding of the connections between different elements of the subject.

SECTION A

Answer all the questions.

1. Fitzroy Engineering Ltd manufactures parts for use in electrical appliances. The company was founded in 2008. At that time all of its machinery was new but today some of it is in need of replacement. One machine in particular, which was bought for £52 000, is about to be sold after five years for £17 000.

Show the calculations of the figures for depreciation for each of the five years using the straight-line method. [4]

2. Bubbletone plc is a manufacturer of toiletries such as shampoo and shower gel. Every year it sets a marketing budget.

Explain the benefits to Bubbletone plc of having a marketing budget and any possible problems that it might cause the company. [7]

3. SA Rogers Ltd is a manufacturer of confectionery. Its products include boiled sweets and toffees. Sam Rogers, the managing director, is worried that these products are old-fashioned and wants to make sweets that will appeal to a younger generation. At present he is considering three alternatives: buy a rival confectionery manufacturer, Zingy Sweets Ltd; refurbish his existing factory with new machinery in order to make new products; or do nothing.

Sam Rogers asked a management consultant friend to estimate the probability of success of each of these alternatives and their estimated revenue. The results are given in the table below.

	Cost £(000s)	Probability of success	Estimated Revenue £(000s)	
			Success	Failure
Buy Zingy Sweets Ltd	480	0.6	2 400	400
Refurbish the factory	360	0.7	1 900	600
Do nothing	0	0.9	1 100	900

- (a) Use the information in the table to draw a decision-tree diagram and identify the option which gives him the best return. [4]
- (b) Briefly explain **two** other factors Sam Rogers might need to consider before making his final decision as to the best course of action to take. [4]

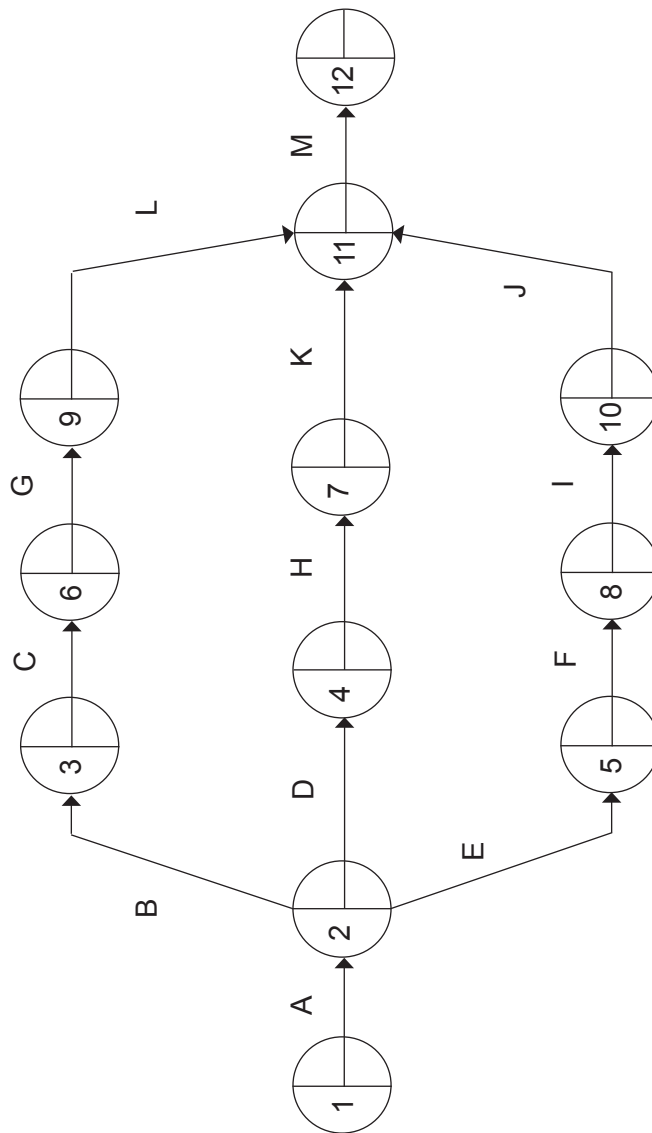
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Centre Number

Candidate's Name in Full

Candidate's Examination Number

Network diagram to be completed for question 4(a) and 4(b).



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4. P J Construction Ltd has been given an order to build a factory unit for one of its customers. The network diagram on the page opposite gives details of the steps required to complete the project. The time allocation in days is given in the table below.

Activity	Preceding Activity	Time (days)
A		2
B	A	3
C	B	4
D	A	4
E	A	6
F	E	3
G	C	5
H	D	5
I	F	3
J	I	4
K	H	4
L	G	6
M	J, K, L	4

- (a) Complete the diagram including: the time required for each task, the earliest start times and the latest finishing times. [6]
- (b) Mark the critical path on the diagram. [1]
- (c) Discuss the usefulness of critical path analysis to P J Construction Ltd. [6]
5. Phillips Coatings Ltd is based in Newport in South Wales. The company manufactures paint for use in manufacturing and construction industries. It employs two hundred people, as shown in the table below:

Job Title	Numbers
Senior Managers/Directors	7
Supervisors	14
Factory Operatives	125
Office Staff	26
Drivers/Warehouse Staff	10
Part-time Cleaners and Canteen Staff	18

The managing director, Sally Phillips, is keen to increase the level of employee participation in the business.

Consider the methods that Sally might use to achieve this goal.

[8]

SECTION B

*Answer **one** of the following questions.*

6. “In the past, trade unions were essential in order to protect workers’ rights, but in the 21st century they no longer have a useful role to play.” Discuss. [20]

7. “The failure to adopt an appropriate leadership/management style can cause serious problems for a business.” Discuss, giving relevant examples. [20]

8. Consider the view that it would be in the best interests of the majority of British businesses for the United Kingdom to leave the European Union. [20]

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