

Surname	Centre Number	Candidate Number
Other Names		2

GCE AS – NEW AS



B510U20-1



S16-B510U20-1



BUSINESS – Component 2
Business Functions

P.M. TUESDAY, 24 May 2016

2 hours

For Examiner's use only		
Question	Maximum Mark	Mark Awarded
Section A	1.	8
	2.	9
	3.	12
	4.	26
Section B	5 or 6 or 7	25
	Total	80

ADDITIONAL MATERIALS

In addition to this paper you will require a calculator.

INSTRUCTIONS TO CANDIDATES

Use black ink or black ball-point pen.

Write your name, centre number and candidate number in the spaces at the top of this page.

Answer **all** questions in Section A.

Answer **one** question from Section B.

Write your answers in the spaces provided in this booklet.

If you run out of space, use the continuation pages at the back of the booklet, taking care to number the question(s) correctly.

You are advised to spend no more than 80 minutes on Section A.

INFORMATION FOR CANDIDATES

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

You are reminded of the necessity for good English and orderly presentation in your answers.

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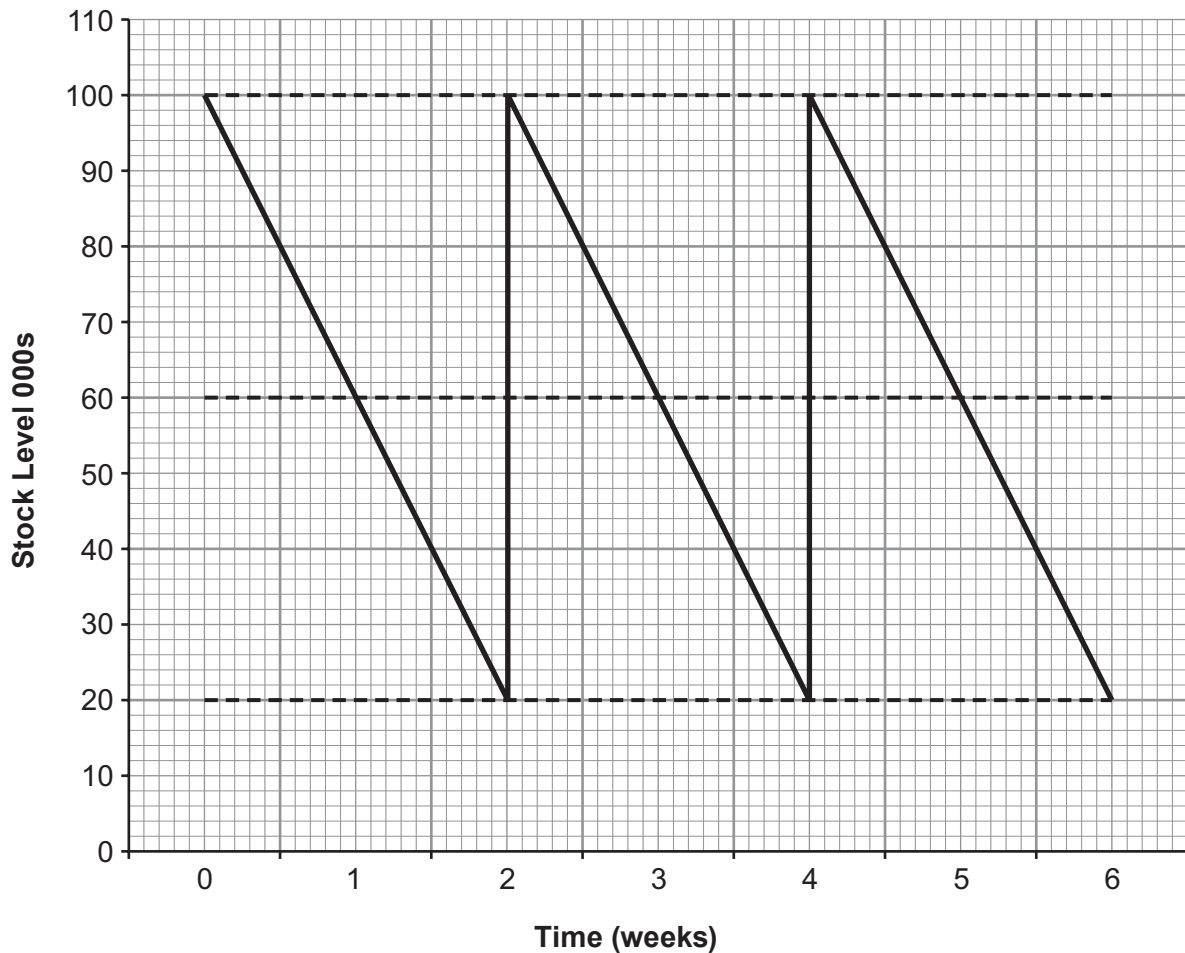
2. Rainy Days Ltd

Rainy Days Ltd manufactures umbrellas which it sells over the internet, as well as to various retailers. It specialises in top quality umbrellas for weddings and sports events such as horse racing.

(a) Rainy Days Ltd keeps a stock of handles used in the manufacture of umbrellas. Study the stock control diagram.

(i) Label the **re-order** level and **minimum stock level** on the diagram. [2]

Table 1 Rainy Days Ltd's stock control diagram for umbrella handles



(ii) Calculate the **lead time**. [1]

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3. Performance at Allen Ltd

Allen Ltd is a medium sized business based in the Midlands which manufactures exhaust pipes for the car industry. The Managing Director, Molly Allen, has been concerned about the performance of the business for some months and has recently been given the following data:

The Human Resources Manager has informed her that 5 employees left in 2015, giving an average total number of employees of 40. The Production Manager reported that total output for 2015 was 216 000 exhaust pipes.

(a) (i) Calculate productivity for Allen Ltd for 2015. (Show your workings.) [2]

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(ii) Calculate labour turnover for Allen Ltd for 2015. (Show your workings) [2]

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(b) Discuss methods by which productivity in the business could be increased. [8]

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(b) Calculate

- (i) gross profit margin and
- (ii) net profit margin

for Premier Foods in the year ended 4th April 2015. (Show your workings.) [4]

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SECTION B

Answer one question from this section.

5. Good Leadership – A Guarantee of Success?

- (a) Describe the different leadership styles which might be used by a manager of a supermarket. [10]
- (b) Consider the importance of good leadership to the success of a business. [15]

6. The Price is Right?

- (a) Describe the pricing strategies which might be used by a fast-food business such as Subway, KFC or McDonalds. [10]
- (b) 'Charging the correct price is the most important element of the marketing mix.' Discuss this statement. [15]

7. Quality Clothing?

- (a) Identify the methods of improving quality which might be used by a multinational clothing manufacturer. [10]
- (b) Discuss the impact of improving quality on the stakeholders of a business. [15]

