



Surname \_\_\_\_\_

Other Names \_\_\_\_\_

Centre Number \_\_\_\_\_

For Examiner's Use

Candidate Number \_\_\_\_\_

Candidate Signature \_\_\_\_\_

# AS BUSINESS

Paper 2 Business 2

7131/2

Friday 26 May 2017 Afternoon

Time allowed: 1 hour 30 minutes

For this paper you must have:

- the insert (enclosed)
- a calculator.

At the top of the page, write your surname and other names, your centre number, your candidate number and add your signature.

[Turn over]



J U N 1 7 7 1 3 1 2 0 1

**BLANK PAGE**



## INSTRUCTIONS

- Use black ink or black ball-point pen.
- Answer ALL questions.
- You must answer the questions in the spaces provided. Do not write on blank pages.
- Do all rough work in this book. Cross through any work you do not want to be marked.

## INFORMATION

- The marks for questions are shown in brackets.
- The maximum mark for this paper is 80.

**DO NOT TURN OVER UNTIL TOLD TO DO SO**



Answer ALL questions.

Read the CASE STUDY in the INSERT BOOKLET.

0 1 . 1

Calculate the Gross Profit Margin for G-Free Ltd in 2016.  
[2 marks]

Gross Profit Margin \_\_\_\_\_

Workings \_\_\_\_\_

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0 1 . 2

**The Operating Profit Margin for G-Free Ltd is forecast to increase much more than the Gross Profit Margin between 2017 and 2019.**

**Explain why this may be the case. [4 marks]**

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0 2

**Explain how setting up as a private limited company in 2005 helped reduce Stephanie's risks. [4 marks]**

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**G-Free Ltd intends reducing the number of suppliers they use by 50%.**

**Analyse how reducing the number of suppliers could improve G-Free Ltd's future operational performance. [9 marks]**

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0 4

The original small factory was described as being run using a team management approach on the Blake Mouton grid. Analyse how this team management approach might have led to the judges’ comments at the ‘award ceremony’.  
**(LINES 50–54) [9 marks]**

Horizontal lines for writing.





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**G-Free Ltd only supplies the niche market of gluten-free food. To what extent do you think this is a risky decision? [16 marks]**

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[Turn over]



0 6

To what extent will the planned lean production system be good for G-Free Ltd's stakeholders? [16 marks]

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0 7

**G-Free Ltd's finance manager suggests funding the £28 m investment and further growth by becoming a public limited company and selling shares.**

**Is selling shares on the Stock Exchange the best way to raise large amounts of capital for ALL organisations? Justify your view.  
[20 marks]**

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**END OF QUESTIONS**



**BLANK PAGE**

| For Examiner's Use  |      |
|---------------------|------|
| Examiner's Initials |      |
| Question            | Mark |
| 1                   |      |
| 2                   |      |
| 3                   |      |
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| 6                   |      |
| 7                   |      |
| <b>TOTAL</b>        |      |

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**G/KL/Jun17/7131/2/E3**