



Rewarding Learning

ADVANCED SUBSIDIARY (AS)  
General Certificate of Education  
2011

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## Business Studies

### Assessment Unit AS 2

*assessing*

Managing Business Resources

[AT121]

MONDAY 20 JUNE, AFTERNOON

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#### TIME

1 hour 30 minutes.

#### INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number on the Answer Booklet provided.  
Answer **both** questions.

#### INFORMATION FOR CANDIDATES

The total mark for this paper is 80.

Quality of written communication will be assessed in question 1 parts (d) and (e) and question 2 parts (d) and (e).

Figures in brackets printed down the right-hand side of pages indicate the marks awarded to each question or part question.

#### ADVICE TO CANDIDATES

You are advised to take account of the marks for each question or part question in allocating the available examination time.

- 1 Study the information below and answer the questions that follow.

## Tesco

Tesco employs more than 360 000 staff, making it the UK's largest private sector employer. Tesco also trades in 12 other countries including China, Japan, Turkey and the United States. Tesco must ensure it has the right number of people in the right jobs at the right time in order to meet its business objectives. The organisation uses people investment planning to assess the need for new employees. A key part of this planning is the use of clear job descriptions and person specifications.

Tesco's organisational hierarchy is structured into six work levels, ranging from front-line jobs (working directly with customers), to leadership roles. Senior managers set out Tesco's overall strategy.

Tesco advertises jobs in different ways. First it looks within the business at its internal "talent plan". This shows which staff are seeking promotion, and the skills they possess. In Tesco many positions are filled through internal recruitment. The annual **appraisal** scheme helps employees identify roles in which they would like to develop their careers. Line managers set out the technical skills, competencies and behaviours necessary for these roles and specify any training required. Tesco recognises the importance of motivating its staff to progress their careers within the company.

Externally, Tesco advertises online and in stores. People interested in store-based jobs with Tesco can apply locally using their **Curriculum Vitae** (CV). Each store prepares a waiting list of applicants and contacts them for a first interview as jobs become available. Candidates may then be invited to an assessment centre, run in a Tesco store by its managers. Applicants are given a number of exercises to complete including team working and problem solving activities. Those who pass this then have a second interview. For more specialist jobs, such as pharmacists and bakers, Tesco advertises in specialist magazines, online or via TV and radio.

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- (a) With reference to the case study, explain what is meant by the term **appraisal**. [4]
- (b) With reference to the case study, explain what a **Curriculum Vitae** is. [4]
- (c) Analyse Tesco's decision to use six work levels in its organisational hierarchy. [8]
- (d) Discuss the advantages and disadvantages of People Investment Planning to an organisation such as Tesco. [12]
- (e) Evaluate the use of internal recruitment for an organisation such as Tesco. [12]

2 Study the information below and answer the questions that follow.

### Dents-No-More

Ryan Smith recently set up a small business called Dents-No-More, offering an accident repair service to car owners. He employs one car body worker on a full-time basis and a student on a part-time basis who cleans the cars once they have been repaired.

Before he began trading, Ryan drew up a cash flow forecast for the first six months of trading. An incomplete version is shown in **Table 1**.

**Table 1: Cash Flow Forecast for Dents-No-More**

	July £	August £	Sept £	Oct £	Nov £	Dec £
<b>Receipts</b>						
Income from Repairs	8 000	8 000	8 000	8 000	8 000	8 000
<b>Payments</b>						
Rent	2 000	2 000	2 000	2 000	2 000	2 000
Materials	700	700	700	700	700	2 000
Wages	2 000	2 000	1 200	2 000	2 000	2 000
Rates	4 000	0	0	4 000	0	0
Equipment	0	0	800	0	0	18 000
Total payments	8 700	(i) ?	4 700	8 700	4 700	24 000
Net cash flow	(700)	3 300	3 300	(700)	(ii) ?	(16 000)
Opening balance	1 000	300	3 600	6 900	6 200	(iii) ?
Closing balance	300	3 600	6 900	6 200	9 500	(iv) ?

Since Ryan has little knowledge of financial matters he has been advised to put in place an effective budgeting system. His bank manager has informed him that he needs to prepare the final accounts at the end of his first year of trading as this will indicate how well the business has performed. Ryan is also aware that he needs to consider how he should recruit new employees if his business expands.

- (a) Explain what is meant by the term cash flow. Illustrate your answer using an example from the case study. [4]
- (b) Calculate the following for Dents-No-More.
- (i) The total payments for August.
  - (ii) The net cash flow for November.
  - (iii) The opening balance for December.
  - (iv) The closing balance for December. [4]
- (c) Analyse possible methods of external recruitment that Ryan might use. [8]
- (d) Discuss whether Ryan should prepare a budget for Dents-No-More. [12]
- (e) Evaluate the usefulness of final accounts to a business such as Dents-No-More. [12]

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**THIS IS THE END OF THE QUESTION PAPER**

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