

# Business and management Standard level Paper 1

Thursday 19 November 2015 (afternoon)

1 hour 15 minutes

#### Instructions to candidates

- Do not open this examination paper until instructed to do so.
- A clean copy of the business and management case study is required for this examination paper.
- · Read the case study carefully.
- Section A: answer two questions.
- Section B: answer the compulsory question.
- A calculator is required for this examination paper.
- A clean copy of the business and management formulae sheet is required for this examination paper.
- The maximum mark for this examination paper is [50 marks].

## **Section A**

Answer **two** questions from this section.

1.	(a)	Describe <b>one</b> way in which a problem with quality control (line 115) could affect <i>LadyA</i> .	[2]
	(b)	With reference to LadyA, describe <b>one</b> reason for identifying target markets.	[2]
	(c)	Explain <b>one</b> benefit to the local school <b>and one</b> benefit to Mrs Carroccio, of providing training for Mrs Carroccio (line 13).	[4]
	(d)	Analyse the impact of technological change on Alejandra and her business.	[7]
2.	(a)	Describe <b>one</b> method of primary market research <b>and one</b> method of secondary market research that could be useful to <i>LadyA</i> .	[4]
	(b)	With reference to Mr Carroccio, explain <b>two</b> reasons for setting up a business.	[4]
	(c)	Analyse the importance of branding for Alejandra.	[7]
3.	(a)	Describe <b>two</b> benefits, to Mr Carroccio, of owning his shoe repair business as a sole trader.	[4]
	(b)	Using the additional information below, calculate:	
		(i) the average rate of return (ARR), for setting up Mr Carroccio's shoe repair business (show all your working);	[2]
		(ii) the payback period, for setting up Mr Carroccio's shoe repair business (show all your working).	[2]
	(c)	Using your answers to part (b) and information contained in the case study, analyse the issues that Mr Carroccio faced when he set up his shoe repair business.	[7]

#### **Additional information**

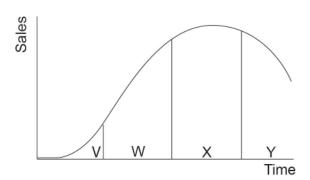
Selected data for setting up Mr Carroccio's shoe repair business:

- Set-up cost: \$9000
- Net returns per year for 5 years: \$3000

### **Section B**

Answer the compulsory question from this section.

**4.** (a) Identify the **four** stages V, W, X and Y labelled on the product life cycle model below. [4]



- (b) Explain why *K&J*'s **Option 3** is a form of corporate social responsibility for *LadyA*. [4]
- (c) Apply the Ansoff matrix growth strategies to **Options 1** and **2**. [4]
- (d) Evaluate the effectiveness of Alejandra's different leadership styles. [8]

#### **Additional information**

There is no additional information in this paper for Section B.