

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 one way in which a problem with quality control (line 115) could affect <i>La</i> | | [2] |
|----|---|---|--|-----|
| | (b) | With reference to LadyA, describe one reason for identifying target markets. | | [2] |
| | (c) | • | ne benefit to the local school and one benefit to Mrs Carroccio, of providing r Mrs Carroccio (line 13). | [4] |
| | (d) | Analyse th | ne impact of technological change on Alejandra and her business. | [7] |
| • | (a) Describe and method of primary recylicat recovers and and recorded of a secondary | | | |
| 2. | (a) | Describe one method of primary market research and one method of secondary market research that could be useful to LadyA. | | [4] |
| | (b) | With refer | ence to Mr Carroccio, explain two reasons for setting up a business. | [4] |
| | (c) | Analyse th | ne importance of branding for Alejandra. | [7] |
| • | () | D " . | | |
| 3. | (a) | Describe two benefits, to Mr Carroccio, of owning his shoe repair business as a sole trader. | | [4] |
| | (b) | o) Using the additional information below, calculate: | | |
| | | ` ' | average rate of return (ARR), for setting up Mr Carroccio's shoe repair iness (show all your working); | [2] |
| | | ` ' | payback period, for setting up Mr Carroccio's shoe repair business (show all rworking). | [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

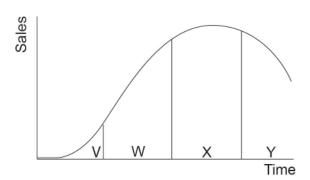
Selected data for setting up Mr Carroccio's shoe repair business:

- 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.