



Oxford Cambridge and RSA

# A Level Business

## H431/03 The global business environment

### Monday 11 June 2018 – Afternoon

#### Time allowed: 2 hours


**You must have:**

- the Resource Booklet

**You may use:**

- a scientific or graphical calculator



First name

Last name

Centre  
numberCandidate  
number

### INSTRUCTIONS

- Use black ink.
- Complete the boxes above with your name, centre number and candidate number.
- Answer **all** the questions.
- Write your answer to each question in the space provided. Additional pages may be used if necessary but you must clearly show your candidate number, centre number and question number(s).
- Do **not** write in the barcodes.

### INFORMATION

- The total mark for this paper is **80**.
- The marks for each question are shown in brackets [ ].
- Quality of extended responses will be assessed in questions marked with an asterisk (\*).
- This document consists of **20** pages.

## 2

Answer **all** the questions.

Please use the information provided in the **Resource Booklet** to answer the following questions.

- 1 IKEA is 'the world's largest furniture retailer'. (Line 3)

Explain **two** likely barriers to entry into the furniture market.

1 .....

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2 .....

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[4]

- 2 IKEA takes its corporate social responsibility (CSR) seriously. (Extract B)

Analyse the possible effect of IKEA's CSR profile on any **two** of its stakeholders.

[6]

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**3** Evaluate **one** reason why having a range of promotional activities is important to IKEA. **[10]**

**Turn over**

This image shows a full page of white paper with horizontal dashed lines, typical of primary-ruled notebook paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

5

- 4 IKEA raised its basic wage level in all of its stores in the USA. (Extract E)

Explain **two** possible reasons why it might have done this.

1 .....

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2 .....

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[4]

**5\*** Evaluate the importance of effective stock control to the success of IKEA.

**[20]**

This image shows a full page of a handwriting practice worksheet. It consists of multiple rows of horizontal dashed lines spaced evenly down the page, providing a guide for letter height and placement. The background is plain white, and there are no other markings or text present.

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**Question 6 starts on Page 11**

- 6 Karlsson Skogsbruk (KS), based in Sweden, manufactures wooden furniture for large retail stores in Europe. It is hoping to get a contract to supply IKEA, but it has not yet organised its own operations management sufficiently.

**Table 1** and **Fig. 1** show the various stages and time taken for the manufacture and delivery of a recent order for 110 garden chairs and 70 garden tables.

**Stages of processing a recent order**

|   | Activity  | Duration (hours) |
|---|---|------------------|
| A | KS receives order and communicates to wood supplier | 1                |
| B | Lead time for wood delivery to KS                   | 48               |
| C | Delivery, unloading and quality checking of wood    | 3                |
| D | Briefing and training of 'garden chair team'        | 2                |
| E | Briefing and training of 'garden table team'        | 3                |
| F | Pre-manufacture cutting and treating of wood        | 4                |
| G | Manufacture of garden chairs                        | 50               |
| H | Manufacture of garden tables                        | 28               |
| J | Quality checks of garden chairs                     | 2                |
| K | Quality checks of garden tables                     | 2                |
| L | Packaging   | 6                |
| M | Loading and delivery to customer                    | 10               |

**Table 1**

Network diagram of the stages of processing a recent order

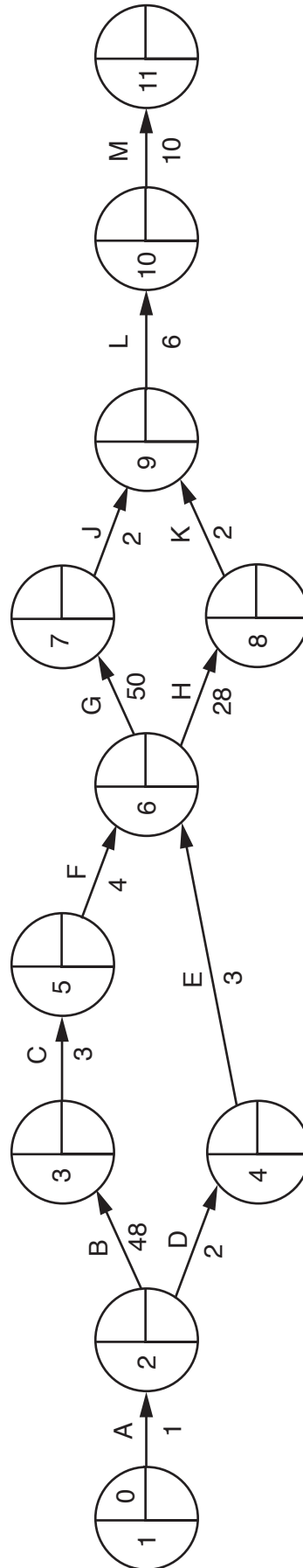


Fig. 1

13

(a) By completing the network diagram (**Fig. 1**), calculate the:

(i) earliest start time for activity H.

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Answer ..... [1]

(ii) overall time for delivery to the customer.

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Answer ..... [1]

(iii) latest finish time for activity D.

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Answer ..... [1]

(b) Using the network diagram (**Fig. 1**), identify the critical path for the order.

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Answer ..... [1]

(c) Explain the difference between total float and free float.

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**8\*** Discuss the extent to which changes in economic factors are likely to affect IKEA in the future. **[20]**

[illegible]

[illegible]



[illegible]

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**END OF QUESTION PAPER**

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