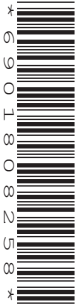




Oxford Cambridge and RSA

Friday 24 May 2019 – Morning**A Level Business****H431/01** Operating in a local business environment**Time allowed: 2 hours****You must have:**

- the Resource Booklet

You may use:

- a calculator

Please write clearly in black ink. **Do not write in the barcodes.**

Centre number

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Candidate number

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First name(s)

Last name

INSTRUCTIONS

- Use black ink.
- Answer **all** the questions.
- Write your answer to each question in the space provided. Additional paper may be used if necessary but you must clearly show your candidate number, centre number and question number(s).
- The Resource Booklet is for **Section B** only.

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.



**A calculator may
be used for this
paper**

2

Section A

Answer **all** the questions.

Put a tick (✓) in the box next to the **one** correct answer for each question.

- 1 Which of the following organisations is **most** likely to operate in the third sector?
- | | |
|-------------------------------|--------------------------|
| (a) A butcher's shop | <input type="checkbox"/> |
| (b) A hair salon | <input type="checkbox"/> |
| (c) A local authority nursery | <input type="checkbox"/> |
| (d) An animal charity | <input type="checkbox"/> |
- [1]
- 2 Which of the following is a correct definition of Gross Domestic Product?
- | | |
|--|--------------------------|
| (a) The amount of economic growth | <input type="checkbox"/> |
| (b) The total output of an economy plus income from abroad | <input type="checkbox"/> |
| (c) The value of the total output of an economy | <input type="checkbox"/> |
| (d) The volume of a country's exports | <input type="checkbox"/> |
- [1]
- 3 Which one of the following is **not** a feature of lean production?
- | | |
|--|--------------------------|
| (a) Improving fault detection | <input type="checkbox"/> |
| (b) Lowering productivity | <input type="checkbox"/> |
| (c) Reducing the amount of energy used | <input type="checkbox"/> |
| (d) Total quality management (TQM) | <input type="checkbox"/> |
- [1]
- 4 The average rate of return (ARR) for a £1.2 million investment which generates £0.45 million revenue per year for four years is:
- | | |
|-----------|--------------------------|
| (a) 12.5% | <input type="checkbox"/> |
| (b) 15% | <input type="checkbox"/> |
| (c) 25% | <input type="checkbox"/> |
| (d) 37.5% | <input type="checkbox"/> |
- [1]

3

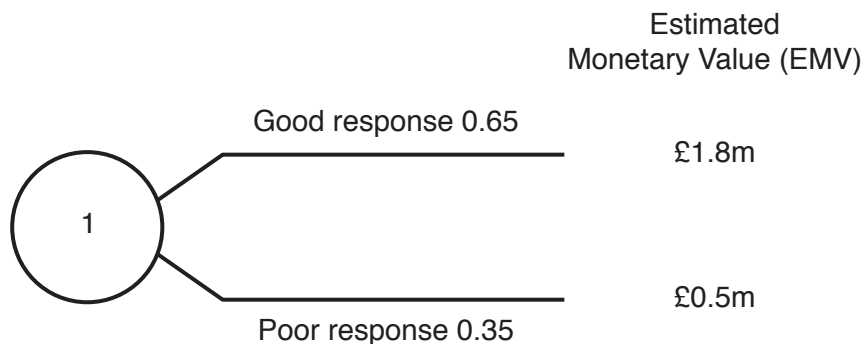
5 One reason why businesses **must** constantly change and adapt is because:

- (a) employees are inflexible
- (b) markets are competitive
- (c) objectives must be reviewed
- (d) technology increases profit

☐
☐
☐
☐

[1]

6 A company is planning to extend its range of products. An extract from its decision tree is shown below.



The expected value (EV) at node 1 is:

- (a) £0.995m
- (b) £1.17m
- (c) £1.345m
- (d) £2.3m

☐
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[1]

7 Which of the following is a benefit to a production operative of being in a trade union?

- (a) A higher rate of pay than employees at the same firm who are non-trade union members
- (b) Able to take extra days off by striking in sympathy with teachers and lecturers
- (c) Collective bargaining to improve working conditions in the factory
- (d) Employers cannot increase output targets without permission from the trade union

☐
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☐

[1]

4

8 Which of the following is an element in the marketing mix of a service?

- (a) Peer assessment
- (b) Physical evidence
- (c) Population
- (d) Profit

☐
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[1]

9 Alnort Council has estimated the following times for the construction of a new sports centre:

Optimistic time (O): 13 weeks
Most likely time (M): 16 weeks
Pessimistic time (P): 25 weeks

The PERT estimated expected time for the construction of the sports centre is:

- (a) 9 weeks
- (b) 12 weeks
- (c) 16 weeks
- (d) 17 weeks

☐
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☐

[1]

10 Which of the following is an academic training method suitable for an accounts supervisor who wishes to further their career in this functional area?

- (a) A degree in business and finance
- (b) A three-day course on how to use payroll software
- (c) An advanced apprenticeship in accountancy
- (d) An advanced diploma in marketing

☐
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[1]

11 Which of the following is a disadvantage to a business of rapid technological change?

- (a) A wider target market
- (b) Cost savings
- (c) Increased training needs
- (d) Reduced reliance on computer systems

☐
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[1]

5

12 A manager who works in a business with a decentralised organisational structure is **most** likely to have:

(a) a wide span of control

☐

(b) limited opportunities for empowerment

☐

(c) no reason to delegate

☐

(d) poor decision-making skills

☐

[1]

13 One way in which the 'Plan-Do-Review' cycle can improve a business' performance is by:

(a) increasing employee workloads

☐

(b) learning from previous mistakes

☐

(c) minimising the management of change

☐

(d) reducing the amount of time spent on future planning

☐

[1]

14 An extract from the cash-flow statement of Kashmir Cookies is shown below.

	March 2019 £ '000
Total inflows	1000
Total outflows	400
Opening balance	?
Net cash-flow	600
Closing balance	500

Kashmir Cookies' opening balance for March 2019 was:

(a) –£100 000

☐

(b) –£100

☐

(c) £100

☐

(d) £100 000

☐

[1]

15 Group norms:

- (a) are explained by Adair's Three Circle theory
- (b) influence the way a team of workers behave
- (c) should be evenly distributed around the mean average
- (d) use correlations to analyse trends

☐
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☐

[1]

Section B

Answer **all** the questions.

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

- 16** Go Race! is a small business.

Analyse **one** way being a small business might benefit Go Race!

[6]

[9]

18* Evaluate the risks which may have been encountered by Go Race! in its **first year** of trading. **[15]**

[illegible]

This image shows a full page of white paper with horizontal dashed lines, typical of primary school writing 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.

[illegible]

19 “The simulators themselves depreciate in value quite quickly.” (Line 54)

- (a)** Assume that a simulator bought at the start of 2018 cost £6000 new and that it depreciates by £1250 a year.

Calculate the net book value of the simulator at the start of 2020.

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Answer **[2]**

- (b)*** Evaluate how the method of depreciation used by Go Race! may affect its financial position. **[15]**

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[illegible]

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- 20 (a)** Ross has calculated that the average spend per customer per visit is £17. He forecasts that, based on the data in **Fig. 2**, customer numbers will grow by 10% per month from May 2019.

Calculate the forecast total revenue earned by Go Race! in July 2019.

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Answer **[3]**

(b)* Evaluate whether Ross should try to achieve his growth objective by franchising the business in the future. (Lines 64—68) **[15]**

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[illegible]

[illegible]

END OF QUESTION PAPER

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