

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**

**Friday 24 May 2019 – Morning**

**GCSE (9–1) Business**

**J204/01 Business 1: business activity, marketing  
and people**

**Insert for Text 3**

**Time allowed: 1 hour 30 minutes  
plus your additional time allowance**



## **TEXT 3**

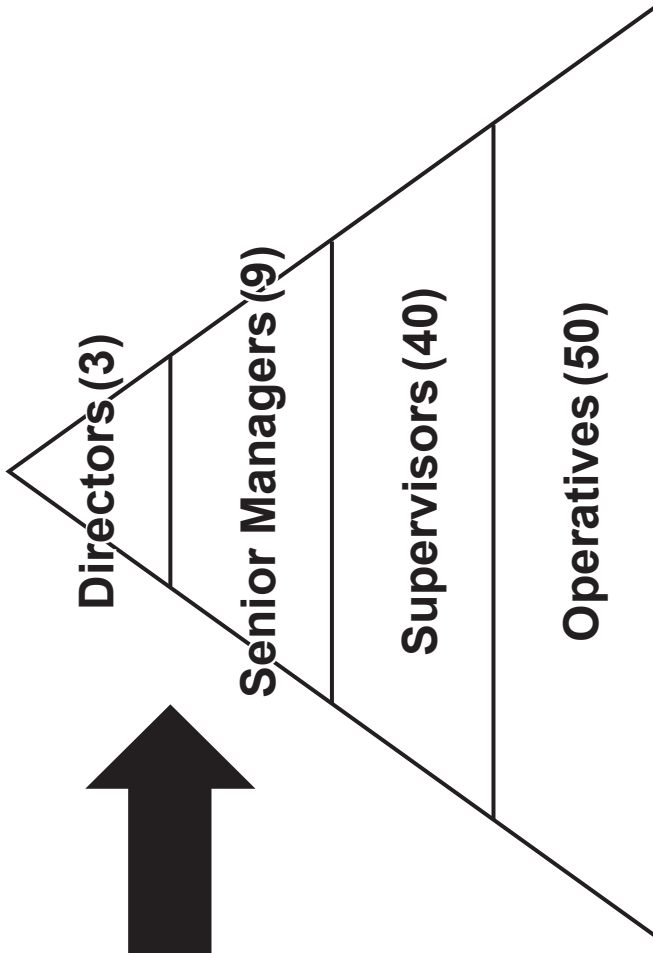
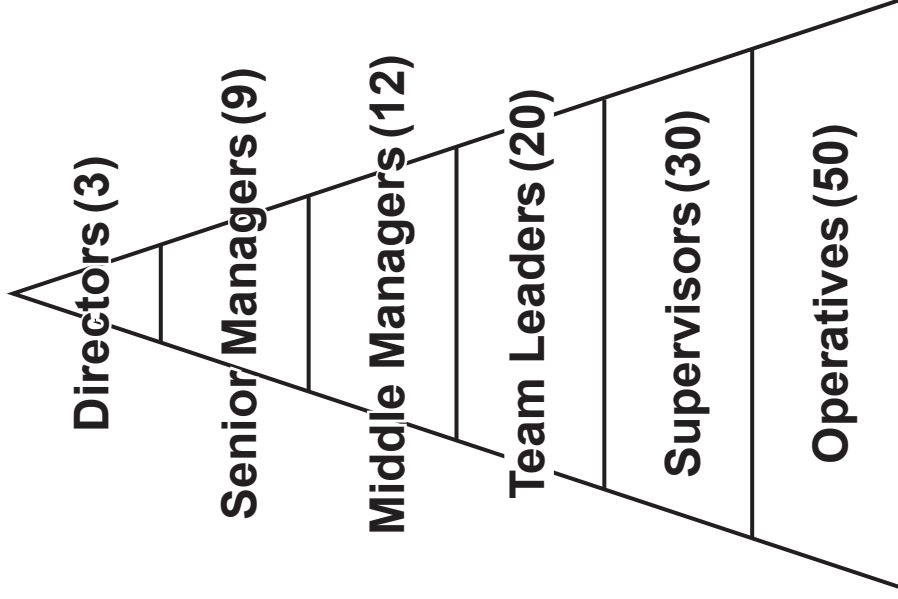
### **Beautiful Buds plc**

**Beautiful Buds plc is a company which grows plants that are sold to garden centres throughout the UK. Beautiful Buds plc has a new Managing Director who has proposed a merger with Green Gardens plc, a chain of garden centres selling a wide range of plants and other garden products.**

**Green Gardens plc is currently one of the country's largest plant and garden retailers, with a market share of approximately 12%. The vertical merger will result in one company owning a chain of garden centres as well as growing the plants which are sold in these retail outlets.**

**Beautiful Buds plc currently has 124 employees. Its Managing Director is looking to make the business more efficient and is planning to change its organisational structure by removing two layers of management (see below). This change is planned before the proposed merger. The Managing Director believes that the tasks carried out by Middle Managers and Team Leaders can be effectively completed by employees either below or above them in the structure. The estimated redundancy costs due to the restructuring are £200 000.**

## Beautiful Buds plc's planned organisational structure change



## Beautiful Buds plc's current salary structure

Job role	Average salary
Directors	£110 000
Senior Managers	£80 000
Middle Managers	£50 000
Team Leaders	£35 000
Supervisors	£30 000
Operatives	£22 000



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