



Tuesday 10 June 2014 – Morning

GCSE APPLIED BUSINESS

A243/01 Working in Business



Candidates answer on the Question Paper.

OCR supplied materials:

None

Other materials required:

- A calculator may be used

Duration: 1 hour 30 minutes



Candidate forename					Candidate surname				
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Centre number						Candidate number			
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INSTRUCTIONS TO CANDIDATES

- Write your name, centre number and candidate number in the boxes above. Please write clearly and in capital letters.
- Use black ink. HB pencil may be used for graphs and diagrams only.
- Answer **all** the questions.
- Read each question carefully. Make sure you know what you have to do before starting your answer.
- 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).
- Do **not** write in the bar codes.

INFORMATION FOR CANDIDATES

- The number of marks is given in brackets [] at the end of each question or part question.
- The total number of marks for this paper is **80**.
- Your Quality of Written Communication will be assessed in questions marked with an asterisk (*).
- This document consists of **16** pages. Any blank pages are indicated.



A calculator may
be used for this
paper

Text 1

SCHAPP is owned by Billy Schappes and it creates mobile phone applications (apps). Billy's business specialises in producing apps which help GCSE and A Level students to revise for examinations. Billy employs students, who work from home, to develop the apps. He organises his business into teams of three in a matrix organisational structure according to the subject and the level of examination.

1 Refer to Text 1.

(a) Complete the following sentences about matrix organisational structures by choosing the correct words from the list below. Use each word only **once**.

completed effectively manager specialist task team

A matrix organisational structure requires a to work together for a particular They will only work together until the job is An advantage of this structure is that the group has a wide range of skills. A disadvantage is that it takes time for the group to work together.

[5]

(b) Explain why a matrix is the best type of organisational structure for SCHAPP.

[3]

Text 2

As the students who develop the apps for *SCHAPP* work from their own homes, Billy Schappes uses ICT as the only form of communication with the employees. The main forms of ICT which he uses are:

- mobile phone text message
- email
- video conferencing/web cam.

2 Refer to Text 2.

From the list in **Text 2**, choose **one** form of ICT communication which Billy Schappes could use in each of the following situations. State **one** advantage and **one** disadvantage of each form of communication which you have chosen. A **different** form of ICT communication must be used for each situation.

- **Sending the requirements for the content of a business studies app to an employee of *SCHAPP*.**

Form of ICT communication

Advantage

.....
.....

Disadvantage

.....
.....

- **Checking the progress of an existing task being created by an employee of *SCHAPP*.**

Form of ICT communication

Advantage

.....
.....

Disadvantage

.....
.....

[6]

Text 3

Billy Schappes completes all the financial tasks for *SCHAPP*. Billy's financial tasks today are to:

- calculate the pay of an employee. The employee's details are:
 - Selina Hughes
 - Employee Number 27
 - Project 1 took 12 hours
 - Project 2 took 10 hours
 - Hourly rate £7.00
- create the *SCHAPP* cash-flow forecast for July to December 2014
- calculate the break-even point for a proposed revision app for GCSE Physical Education.

3 Refer to Text 3.

(a) Using the information in **Text 3**, complete the **unshaded** boxes in the payslip of Selina Hughes which is below. The following parts need to be completed:

- employee name and number
- hours worked and hourly rate of pay
- gross pay
- net pay.

SCHAPP		 SCHAPP			
PAYSLIP					
Tax date: 10/06/2014		Employee Name:			Employee No:
Nat Ins No:	Hours	Rate	Gross Pay	Total Deductions	Net Pay
AB123456C				£45.00	

[4]

(b) Selina Hughes has had £45.00 deducted from her gross pay. State **two** examples of deductions which could be made from an employee's gross pay.

Deduction 1

Deduction 2

[2]

(c) Complete the **unshaded** boxes in the following cash-flow forecast for *SCHAPP* for July to December 2014.

SCHAPP Cash-Flow Forecast July to December 2014						
	July	August	September	October	November	December
Income	£	£	£	£	£	£
GCSE Revision Apps	100	20	400	500	1000	1100
AS Revision Apps	50	20		550	950	1150
A Level Revision Apps	55	10	300	600	1100	1050
Total income	205	50	1100	1650	3050	3300
Expenditure						
Wages	960	1400	700	600	500	400
Utilities	40	40	50	50	60	60
Billy's salary	500	500	500	500	500	2000
Other costs	100	100	100	100	100	100
Total expenditure	1600	2040	1350	1250	1160	
Income – Expenditure	–1395		–250	400	1890	740
Opening Balance	2000	605	–1385		–1235	655
Closing Balance	605	–1385		–1235	655	1395

[5]

(d) Billy Schappes needs to decide whether or not to create a new app. Explain how a completed cash-flow forecast could help the decision-making process at *SCHAPP*. [4]

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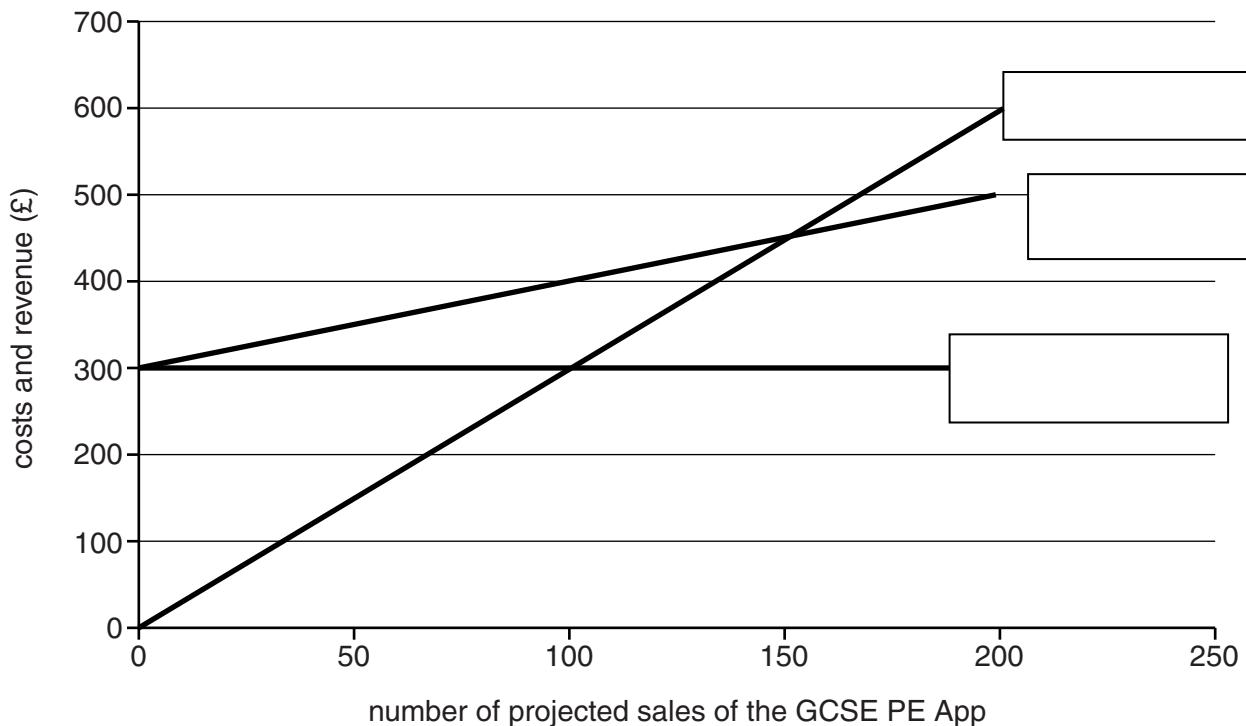
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(e) Billy Schappes is considering whether to develop a new app for GCSE Physical Education (PE). It is intended that this new app will sell at £3.00. He is creating a break-even chart for this proposed new app.

Complete the break-even chart by labelling the:

- fixed costs line
- total costs line
- sales revenue line
- break-even point.

Break-even chart for the GCSE PE App



[4]

(f) Using the information and the formula given below, calculate the break-even point for the GCSE PE app.

- The fixed costs are given on the break-even chart in **part e**.
- The variable costs per app are **now** £1.25.
- The selling price of the GCSE PE app is **now** £2.50 per app.

Break-Even Point for the GCSE PE App

$$\text{Break-even point} = \frac{\text{Fixed costs}}{(\text{Price of PE App} - \text{Variable cost per app sold})}$$

You must show your workings:

Break-even point = PE apps sold

[3]

(g)* Evaluate the usefulness of break-even analysis to Billy when deciding whether or not to develop the new GCSE PE app.

. [8]

Text 4

Billy needs to know if selling apps to help examination revision at university or college would be good for *SCHAPP*. His first task is to complete some primary (field) market research. Billy sent a questionnaire to *SCHAPP*'s existing A Level customers to obtain information. The following are some of the results of this primary market research.

- 1) Do you think that the A level apps you bought from *SCHAPP* have helped you to achieve higher grades?

Yes 75%
No 25%

2) On which device would you use the apps?

- phone 80%
- MP3 player 15%
- computer 5%

3) Would you use apps when you are revising for examinations at university or college?

Yes 60%
No 40%

4) Which of the following subject apps do you think you would be most likely to use at university or college?

Mathematics	21%
English Literature	20%
History	6%
Geography	5%
Engineering	3%
Other subjects	45%

4 Refer to Text 4.

(a) What is the purpose of market research?

[2]

(b) Billy Schappes has used an email questionnaire for his primary (field) market research.

Identify **three** other types of primary market research.

[3]

10

(c) Billy Schappes is also thinking about using secondary (desk) market research to help make his decision about producing examination revision apps for university or college students.

Identify **three** different types of secondary market research.

1

2.....

3

[3]

(d)* Do you think that SCHAPP should expand its business to include university and college apps? Use the information in **Text 4** and any other information to justify your recommendation. [8]

(e) Explain why the Internet would be the best method of promoting the university or college examination revision apps.

[4]

Text 5

SCHAPP has become much busier and Billy now realises that he cannot effectively manage all of the app developers on his own. He, therefore, wants to appoint an App Development Manager. The new manager, as with the developers, will work from their own home.

5 Refer to Text 5.

(a) Explain **two** skills which the new App Development Manager would require.

Skill 1

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.....

Skill 2

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[4]

(b) Explain **two** personal qualities which the new App Development Manager would require.

Personal quality 1

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.....

Personal quality 2

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.....
.....

[4]

Text 6

Billy Schappes thinks that, in addition to selling apps, selling examination practice questions in a booklet would be a good idea. He would use another business to print the booklets which would be for each of the subjects and levels available as apps.

6* Refer to Text 6.

Recommend which method of production would be the most appropriate for printing the examination practice question booklets. Give reasons for your recommendation, explaining why you did not recommend other methods of production. [8]

[8]

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END OF QUESTION PAPER

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