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Wednesday 24 May 2017 – Morning**GCSE APPLIED BUSINESS****A241/01** Business in Action

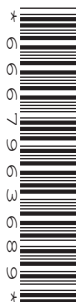
Candidates answer on the Question Paper.

OCR supplied materials:

None

Other materials required:

- A calculator may be used

Duration: 1 hour 30 minutes

Candidate forename		Candidate surname	
Centre number		Candidate number	

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 barcodes.

INFORMATION FOR CANDIDATES

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



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

Text 1

Six years ago, with the help of a long term bank loan, Theo and Anya Highgrove started their own business. The business is called Highgrove Chocolates.

Highgrove Chocolates makes luxury hand-made chocolates from the finest ingredients. The business' mission statement is 'to excite the senses of our customers with the most wonderful chocolates in the world'.

The business is profitable. Its chocolates are served in some of the best restaurants in the UK and are sold in high-quality gift shops across the world.

1 Refer to Text 1.

- (a)** Complete the following sentences by choosing the correct words from the list below.

one	customers	two
unlimited	owners	limited

A partnership is owned by between and twenty partners. Any profit made must be shared between the of the business. The partners have liability. **[3]**

- (b)** Highgrove Chocolates is a partnership.

- (i)** State and explain **one advantage** to Highgrove Chocolates of being a partnership rather than a limited company.

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..... **[2]**

3

- (ii) State and explain **one disadvantage** to Highgrove Chocolates of being a partnership rather than a limited company.

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..... [2]

- (c) Businesses use aims, objectives and mission statements to provide a framework for their activities.

For a business you have studied:

- identify **one** likely business aim
- identify **one** possible objective
- write an appropriate mission statement.

Name of business

Activity of business

Aim

.....

Objective

.....

Mission statement

.....

.....

[3]

Text 2

Since the business began six years ago, Highgrove Chocolates has grown year on year. The business now has over 50 employees. All employees work at its factory in the south of England.

Each employee is appointed to work in one specific functional area of the business. Theo and Anya have tried hard to develop a good working relationship with all of the employees.

2 Refer to Text 2.

- (a) Identify **one** benefit to a business such as Highgrove Chocolates of grouping key tasks into functional areas.

.....
 [1]

- (b) Name the functional area of a business which deals with advertising and sales promotion.

..... [1]

- (c) Which **three** of the following tasks are likely to be done by employees working in Highgrove Chocolates' Human Resources Department?

Show your answer by circling your choices. Circle **three** tasks only.

identify training needs

order stock

recruit staff

issue contracts of employment

buy computer equipment

[3]

- (d) Identify **three** types of ICT which might be used by employees working in Highgrove Chocolates' Administration Department.

1

2

3

[3]

(e) Describe the role of the operations functional area at Highgrove Chocolates.

..... [2]

(f) Identify **two** possible consequences to a business such as Highgrove Chocolates if its finance functional area does **not** operate effectively.

1

2

[2]

(g)* Analyse **three** ways in which a good working relationship has been developed between the employer and employees in a business you have studied. Which of the three ways has been the best? Give reasons for your answer. **[10]**

[illegible]

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Question 3 begins on page 7

Text 3

A recent report suggests that more shoppers than ever before are choosing to buy from businesses which are seen to operate in a sustainable and ethical manner.

Theo and Anya are keen to be seen to operate Highgrove Chocolates in an ethical manner in order to attract new customers and keep existing ones. They are considering making changes to the way the business operates. In particular they wish to improve how the raw materials such as milk, sugar and cocoa are sourced and how the chocolates are made, packaged and transported.

Both partners know the importance of considering the interests of all of Highgrove Chocolates' stakeholder groups. This is especially true at the present time because the number of competitors making hand-crafted chocolates is increasing.

3 Refer to Text 3.

- (a) Which **two** of the following are likely consequences to a business of **not** making changes? Tick (✓) **two** boxes only.

Consequence to a business	Consequence of not making changes Tick (✓)
Being left behind by competitors	
Gaining market share	
Higher profits	
Missing out on opportunities	

[2]

(b) Businesses should consider the interests of all of their stakeholder groups.

- (i) Identify **four** stakeholder groups of a business you have studied.
For each of these stakeholder groups, identify a **different** interest each has in the business.

Name of business

Activity of business

Stakeholder group 1

Interest

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Stakeholder group 2

Interest

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Stakeholder group 3

Interest

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Stakeholder group 4

Interest

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[8]

- (ii) Identify **two** possible consequences to the business you identified in **part (b)(i)** of **not** listening to its stakeholders.

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2

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[2]

(c) Describe **two** ways Highgrove Chocolates could act in order to achieve sustainability.

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[4]

(d) Other than sustainability, describe **two** ways Highgrove Chocolates could operate in an ethical manner.

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[4]

(e)* Evaluate likely consequences to Highgrove Chocolates of **not** being seen to operate in an ethical manner. [10]

[illegible]

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Question 4 begins on page 12

Text 4

Theo and Anya are aware that economic factors will also have an impact on the future success of Highgrove Chocolates. They believe this is especially true for their business because:

- it produces a luxury product
- it is still making repayments on a 15-year bank loan
- the cocoa and sugar that the business uses is imported from Mexico
- imports from Mexico need to be paid for in Mexican currency – the Mexican peso.

4 Refer to Text 4.

- (a) Draw a line between each economic factor listed below and the description which applies to it. You should only draw **three** lines.

Economic factor	Description
Interest rates	An increase in the general price level
	The number of people unable to find work
Inflation	Goods bought from foreign countries
	The cost of borrowing money
Unemployment level	A change in customer demand

[3]

(b)* Theo and Anya have heard that the following changes in economic factors are predicted to take place in the next few years:

- **a fall** in interest rates
- **reduced** unemployment levels
- **lower** inflation.

Analyse how the above **three** changes in economic factors might impact on Highgrove Chocolates. Which of these three factors is likely to have the greatest impact on Highgrove Chocolates? Give reasons for your choice. **[10]**

[illegible]

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- (c) (i) State what is meant by the term 'exchange rate'.

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..... [1]

- (ii) Explain how Highgrove Chocolates should **react** to a **fall** in the British pound to Mexican peso exchange rate.

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..... [4]

END OF QUESTION PAPER

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