

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS
GCSE**

A241/01

APPLIED BUSINESS

Business in Action

WEDNESDAY 23 MAY 2018: Morning

**DURATION: 1 hour 30 minutes
plus your additional time allowance**

MODIFIED ENLARGED 24pt

Candidate forename						Candidate surname				
Centre number						Candidate number				

Candidates answer on the Question Paper.

OCR SUPPLIED MATERIALS:

None

OTHER MATERIALS REQUIRED:

A calculator may be used

A CALCULATOR MAY BE USED FOR THIS PAPER
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READ INSTRUCTIONS OVERLEAF



INSTRUCTIONS TO CANDIDATES

Write your name, centre number and candidate number in the boxes on the front page. 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).

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 (*).

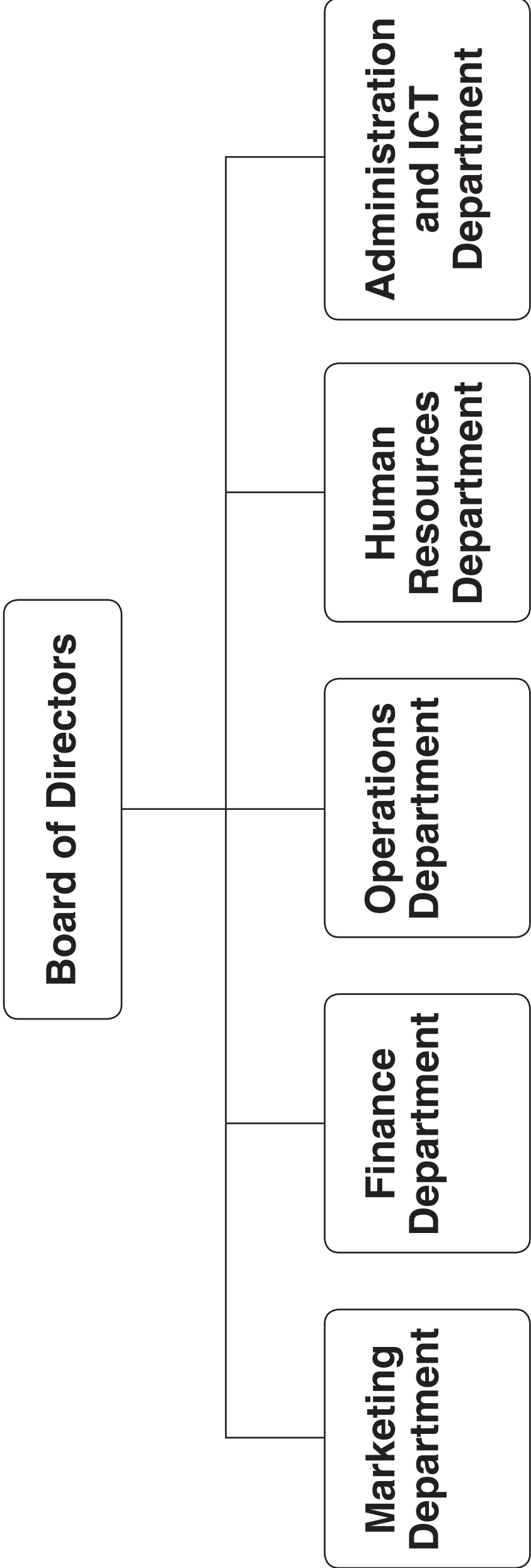
The total number of marks for this paper is 80.

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TEXT 1

Performance plc has been producing sports equipment for over 40 years. Its product range includes goal posts, athletics equipment, balls, diving boards, bats and racquets. The company has been very successful and is now the leading sports equipment producer in Europe.

Performance plc has separate departments for each of its main functional areas as shown in the chart below. Like all businesses, Performance plc is affected by changes in its external environment.



1 Refer to Text 1.

(a) Complete the sentence below using ONE of the following terms:

**manufacturing
retailing
service provision.**

The business activity in which Performance plc is

involved is _____
_____ [1]

(b) Describe the role of the marketing functional area in a business.

_____ [2]

[2]

1 _____

2 _____

[2]

(e) Performance plc is a public limited company.

(i) State and explain ONE advantage to Performance plc of it being a public limited company.

(ii) State and explain ONE disadvantage to Performance plc of it being a public limited company.

(f) Changes in the economic environment impact on all businesses.

Draw a line between each change in an economic factor listed below and the impact which applies to it. You should only draw THREE lines. [3]

CHANGE IN ECONOMIC FACTOR

IMPACT

Increased unemployment

Higher interest rates

Greater inflation

Workers have more money to spend

Mortgage repayments become cheaper

The cost of borrowing money increases

Prices in shops rise more quickly

More people apply for job vacancies

(g)* New competitors have entered the European sports equipment market.

In response to this increase in competition, Performance plc could:

- reduce the prices of its sports equipment**
- increase its television advertising and sponsorship**
- develop new and innovative product designs.**

Explain the impact on Performance plc of each of these THREE responses. Which of these three responses would be best for Performance plc to choose? Give reasons for your answer. [10]

[illegible]

TEXT 2

Performance plc has more than 20 000 employees. All employees are expected to help the business operate in an enterprising way. In addition, the directors believe that it is important for the company to be seen as an ethical employer.

2 Refer to Text 2.

- (a) Which **THREE** of the following expectations should Performance plc have of its employees?

Show your answer by circling your choices. Circle **THREE** tasks only. [3]

be punctual

provide training

work safely

follow rules

pay wages

(b) Explain THREE rights which employees have under the Employment Rights Act. [6]

1 _____

2 _____

3 _____

(c) Explain THREE benefits to a business you have studied of operating in an enterprising way. [6]

Name of business _____

Activity of business_____

1 _____

2 _____

3 _____

(d) Identify TWO ways in which a business such as Performance plc can be seen to be an ethical employer.

1 _____

2 _____

[2]

(e) Identify TWO likely consequences to a business such as Performance plc of NOT being seen to be an ethical employer.

1 _____

2 _____

[2]

TEXT 3

The directors of Performance plc know the importance of setting company objectives.

Over the years the directors have introduced a lot of ICT equipment and software into the company. They realise that this ICT equipment and software may soon need to be upgraded.

3 Refer to Text 3.

(a) State ONE possible business objective for Performance plc.

[2]

(b) Explain TWO reasons why it is important for businesses to set objectives.

1

2

[4]

(c) Performance plc uses many different types of ICT. These include:

- A spreadsheets**
- B databases**
- C the Internet**
- D email**
- E networks**

Complete the table below to show which type of ICT is the most suitable to use for each purpose. Write the correct LETTER from the list above into the table below. [3]

Purpose of ICT	Type of ICT (A, B, C, D or E)
To monitor sales	
To store employee details	
To link computer equipment	

(d)* Evaluate potential benefits to a business which you have studied of investing in NEW ICT equipment and software. Give reasons for your answer. [10]

Name of business _____

Activity of business _____

[illegible]

TEXT 4

An upturn in the economy and an increasing desire for a healthy lifestyle have led to an increased demand for sports equipment. The directors of Performance plc have decided that it is time to expand the company.

The company is planning to buy a piece of land in the heart of the Welsh countryside to build a new factory. The new factory will operate 24 hours a day. This will greatly increase the amount of sports equipment which the company can produce. However, the expansion is not without risk. The cost of the expansion will use up all of the company’s retained profits and a bank loan will be needed.

4 Refer to Text 4.

(a) Other than physical expansion, explain TWO ways in which a business such as Performance plc could react to an upturn in the economy. [4]

1

2

(b)* The following stakeholder groups will have different interests in Performance plc's planned expansion:

**employees
local community
shareholders.**

Evaluate possible consequences to Performance plc if the directors do NOT listen to EACH of the stakeholder groups listed above during the planned expansion.

Which of these stakeholder groups would have the greatest impact on Performance plc? Give reasons for your choice. [10]

[illegible]

[illegible]

END OF QUESTION PAPER

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