



Rewarding Learning
ADVANCED SUBSIDIARY (AS)
General Certificate of Education
2009

Business Studies

Assessment Unit AS 3

assessing

Module 3: Marketing and
Operations Management

[AST31]



TUESDAY 20 JANUARY, AFTERNOON

TIME

1 hour.

INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number on the Answer Booklet provided.
Answer **both** questions.

INFORMATION FOR CANDIDATES

The total mark for this paper is 50. Quality of written communication will be assessed in **all** questions.

Figures in brackets printed down the right-hand side of pages indicate the marks awarded to each question or part question.

ADVICE TO CANDIDATES

You are advised to take account of the marks for each part question in allocating the available examination time.

1 Study the information below and answer the questions that follow.

Production Process/Quality

Cottage Kitchens Ltd is a manufacturer of homemade biscuits and cakes. The company has been trading for 25 years and has grown steadily since its formation.

The company uses traditional recipes and all of its ingredients are sourced locally. When Cottage Kitchens Ltd was formed, it only produced one type of biscuit. It now has a large product range of 20 types of biscuits and cakes.

Although new machinery was bought eight years ago, the organisation is finding it very difficult to meet production requirements. The machinery is constantly breaking down despite regular maintenance being carried out. This is causing various problems throughout the organisation.

The Board of Directors has asked the production manager to produce a report discussing the advantages of Cottage Kitchens Ltd buying new machinery. They have also asked him to investigate whether the company should try to obtain a recognised quality standard (such as BS5750/ISO 9000) as a means of improving competitiveness.

(a) Explain the benefits to Cottage Kitchens Ltd of buying new machinery. [10]

(b) Discuss whether Cottage Kitchens Ltd should try to obtain a recognised quality standard. [15]

2 Study the information below and answer the questions that follow.

Market Segmentation/International Marketing

Threads Ltd is a clothing manufacturer based in Northern Ireland. The company produces a wide range of clothes, selling them to many different consumers.

In recent years the organisation has faced increased competition which has had an impact on its market share. This has resulted in a decline in profits and the Board of Directors has employed the services of a local consultancy firm to make recommendations for the future operations of the company.

After a thorough investigation, the consultancy firm has concluded that the core business of Threads Ltd has the potential to reverse its current situation, but that major changes would need to be made. The consultants are of the opinion that Threads Ltd is producing too many different types of clothing. They have suggested that the company should consider drawing up a marketing strategy and trying to segment its market. In addition, the consultants have recommended that Threads Ltd should market its clothes internationally.

- (a) Explain the different ways that Threads Ltd could segment its market. [10]
- (b) Discuss whether Threads Ltd should market its clothes internationally. [15]

THIS IS THE END OF THE QUESTION PAPER
