



Rewarding Learning

ADVANCED SUBSIDIARY (AS)
General Certificate of Education
January 2012

Business Studies

Assessment Unit AS 2

assessing

Managing Business Resources

[AT121]

THURSDAY 19 JANUARY, MORNING



AT121

TIME

1 hour 30 minutes.

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 80.

Quality of written communication will be assessed in question 1 parts (d) and (e) and question 2 parts (d) and (e).

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 question or part question in allocating the available examination time.

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

Siemens

Siemens is an engineering group that designs and manufactures many different products, from domestic appliances to wind turbines. The organisation was instrumental in transforming Germany into one of the world's leading industrial nations.

Employees are encouraged to work as a team and become involved in decision making. The company motivates staff by empowering and trusting them to improve processes. Job enrichment is also evident within the organisation and this has a positive impact on Siemens productivity and quality.

Siemens operates schemes in which suggestions and projects for improvement are rewarded and staff can fulfil their potential by taking responsibility. Good pay and a safe workplace are provided for employees. The company seeks to provide a challenging and creative work environment and to recognise contributions in the work place. Additionally, Siemens provides opportunities for young people to become engineers by offering apprenticeships and graduate schemes.

In order to facilitate succession planning, Siemens has its own vocational school and in 2010, a total of 230 students completed training in electronic, mechanical and commercial occupations. Theory classes and company practice are carefully co-ordinated and students work on actual work-related projects. Students not only become qualified in all aspects of their subject, but also develop personal and social skills.

Siemens' operations are based on a teamwork culture. This emphasis on the team is set out clearly in a quote from the global Chief Executive Officer of Siemens, Klaus Kleinfeld: "Many times in my life I have seen how one individual can make a big difference, particularly when working in a great team. The quality of our people and of our teams is our most valuable resource."

Sources: Adapted from www.thetimes100.co.uk/case-study-training-and-development-as-a-strategy-for-growth-89-335-2.php#ixzz17W8PRZnp,
www.thetimes100.co.uk/case-study-creating-a-high-performance-culture-89-256-5.php#ixzz17W7SxJUF,
www.thetimes100.co.uk/case-study-motivation-within-a-creative-environment-89-405-1.php
http://www.siemens.com/history/poollen/history/18471865_beginnings_and_initial_expansion/160j_e.pdf

- (a) Explain what is meant by the term employee empowerment. Illustrate your answer using an example from the case study. [4]
- (b) Explain what is meant by the term succession planning. Illustrate your answer using an example from the case study. [4]
- (c) Analyse how Maslow's motivational theory is used at Siemens. [8]
- (d) Discuss the advantages and disadvantages of teamworking as a method of motivation within Siemens. [12]
- (e) Evaluate Siemens' decision to use on-the-job training. [12]

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

“The Grill”

Patrick French is a fully trained chef in a Belfast Hotel but his ambition has always been to run his own restaurant. Patrick is considering buying a small Bistro, “The Grill” which has recently been advertised for sale.

“The Grill” was set up four years ago by Liam Chancy who currently operates as a sole trader. In addition to having premises on a busy street, “The Grill” offers a take-away and delivery service and last year Liam purchased a van costing £5 000 for this purpose. Some local organisations also use this service for business lunches and settle their accounts at the end of each month. The advertisement claimed that the business was being sold due to the retirement of the present owner.

Patrick has inquired about “The Grill” and Liam has provided him with financial information for the last two trading periods. Patrick has also been informed that since “The Grill” was set up it has used a zero-based system of budgeting, and he has never had problems meeting the budgets that were set.

Fig. 1: Statements of Financial Position for “The Grill” as at:

	31 Dec 2010 (£)	31 Dec 2011 (£)
Non-Current Assets	<u>10 000</u>	<u>15 000</u>
Current Assets		
Inventory	300	400
Trade Receivables	300	400
Cash	<u>400</u>	<u>0</u>
Total Current Assets	<u>1 000</u>	<u>800</u>
Total Assets	<u>11 000</u>	<u>15 800</u>
Equity		
Capital	5 000	8 000
Net Profit	<u>3 000</u>	<u>800</u>
Total Equity	<u>8 000</u>	<u>8 800</u>
Current Liabilities		
Trade Payables	3 000	2 000
Bank Overdraft	<u>0</u>	<u>5 000</u>
Total Current Liabilities	<u>3 000</u>	<u>7 000</u>
Total Equity and Liabilities	<u>11 000</u>	<u>15 800</u>

- (a) Explain what is meant by the term Non-Current Assets. Illustrate your answer using an example from the case study. [4]
- (b) Explain what is meant by the term Trade Receivables. Illustrate your answer using an example from the case study. [4]
- (c) Using appropriate information from **Fig. 1**, analyse how “The Grill’s” financial position has changed between 2010 and 2011. [8]
- (d) Evaluate the usefulness of financial information to Patrick when deciding on whether or not to buy “The Grill”. [12]
- (e) Evaluate the use of zero-based budgeting to a business such as “The Grill”. [12]

THIS IS THE END OF THE QUESTION PAPER
