

**GENERAL CERTIFICATE OF SECONDARY EDUCATION**  
**BUSINESS STUDIES A**

**1951/06**

Paper 6: Business Communication and Marketing (Higher Tier)

Candidates answer on the Question Paper

**OCR Supplied Materials:**  
None

**Other Materials Required:**  
• Calculators may be used.

**Tuesday 15 June 2010**  
**Morning**

**Duration: 1 hour**



Candidate Forename		Candidate Surname	
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Centre Number						Candidate Number				
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**INSTRUCTIONS TO CANDIDATES**

- Write your name clearly in capital letters, your Centre Number and Candidate Number in the boxes above.
- Use black ink. Pencil may be used for graphs and diagrams only.
- Read each question carefully and make sure that you know what you have to do before starting your answer.
- Answer **all** the questions.
- Do **not** write in the bar codes.
- 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.
- The total number of marks for this paper is **60**.
- The quality of your written communication will be taken into account when marking your answer to the question labelled with an asterisk (\*).
- This document consists of **12** pages. Any blank pages are indicated.



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

1 RBD is a high street bank which operates throughout Denmark.

(a) RBD uses both internal communication and external communication.

(i) Explain the difference between **internal communication** and **external communication**.

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..... [2]

(ii) State and explain **two** barriers to communication that may exist between RBD and its employees.

**Barrier 1** .....

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**Barrier 2** .....

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(b) In order to increase the number of its customers, RBD is thinking about introducing an online banking service.

(i) Explain **whether or not** introducing an online banking service will change the way in which some of RBD's **employees** work.

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- (c) RBD decided to introduce its online banking service to attract new customers around the world. It will be called **Danish e-bank**. It has devised two methods to attract customers.
1. Advertising on national television in five countries during peak viewing times.
  2. Give a higher rate of interest on customer savings than other banks.

Discuss **which of the two methods** above would be the most successful in attracting new customers to Danish e-bank.

..... [7]

- (d) Use the headline below, which recently appeared in a national newspaper to answer the following questions.

**INTERNET BANKING – THE USUAL PROBLEM!**  
**“I love online shopping but I do not trust online banking.  
 I am worried about my personal information.”**

- (i) When a customer shops online they are protected by the Data Protection Act.

Explain **one** way in which the **Data Protection Act** protects the consumer.

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- (ii) Explain how the use of encryption may help both **Danish e-bank** and its **customers**.

**Danish e-bank**

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**Customers**

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..... [4]

[Total marks: 31]

- 2 St William's School is a private school which charges parents/guardians £10 000 each year to send a child to its school.

(a) St William's School constantly reviews its marketing strategy.

(i) Explain the importance of **marketing** to the St William's School.

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(ii) A major part of marketing is the four 'Ps' of the marketing mix. An example of the marketing mix for St William's School is shown in Fig. 2 below.

	<b>MARKETING MIX (4Ps)</b>
<b>Product</b>	St William's School has a high exam pass rate
<b>Price</b>	£10 000 a year for each child
<b>Place</b>	St William's School has modern buildings in their own grounds
<b>Promotion</b>	Advertise in newspapers such as The Times

**Fig. 2**

Explain how well the four Ps of the marketing mix, as shown in Fig. 2, link together.

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- (b) The Headteacher carried out a SWOT analysis for St William's School which can be seen in Fig. 3.

<b>STRENGTH</b>	<b>High exam pass rate</b>
<b>WEAKNESS</b>	<b>Lack of sporting facilities</b>
<b>OPPORTUNITY</b>	<b>500 expensive houses being built near the school</b>
<b>THREAT</b>	<b>Other successful schools in the area</b>

**Fig. 3**

Explain how a **SWOT analysis** may benefit St William's School.

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- (c) St William's School has had problems with recruiting staff. The Headteacher is thinking of using Distant Learning Ltd to provide lessons in classrooms using **video conferencing** for one sixth form subject. State and explain **one** advantage and **one** disadvantage to **St William's School** of using video conferencing to communicate with students.

**Advantage** .....

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**Disadvantage** .....

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..... [4]

- (d) St William's School sends its end of year report to parents/guardians through a secure internet site.

Explain **one** advantage and **one** disadvantage to **parents/guardians** of receiving reports through a secure internet site.

**Advantage** .....

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**Disadvantage** .....

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..... [4]

- (e) St William's School increases the fees it charges to parents/guardians each year. The Headteacher is unsure about the effects on revenue because he has been told that the school fees are now price elastic.

The current fee charged is £10 000 and the school currently has 850 students.

- (i) The information below shows three events that may have caused St William's School to increase its fees each year. Indicate, with a **tick (✓)**, if each event was **likely or unlikely** to have caused the increase in fees.

<b>Event</b>	<b>Likely to cause an increase in school fees</b>	<b>Unlikely to cause an increase in school fees</b>
<b>Building new sporting facilities</b>		
<b>Share ICT facilities with another school nearby</b>		
<b>Reducing the number of students in each class</b>		

[3]



Refer to the information in Fig. 4 and answer the following questions.

	Student Fee Per Year	Number of Students	Price Elasticity
<b>Current</b>	£10 000	850	0.5
<b>Forecast</b>	£11 000	700	

**Fig. 4**

- (ii) Using the formula below, calculate the forecasted price elasticity of demand for the fees at St William's School. Show your workings.

$$\text{Price Elasticity of demand} = \frac{\% \text{ change in quantity demanded}}{\% \text{ change in price}}$$

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- (iii) Use your calculation to advise the Headteacher **whether or not** to increase the student fees from £10 000 to £11 000. Give a reason for your answer.

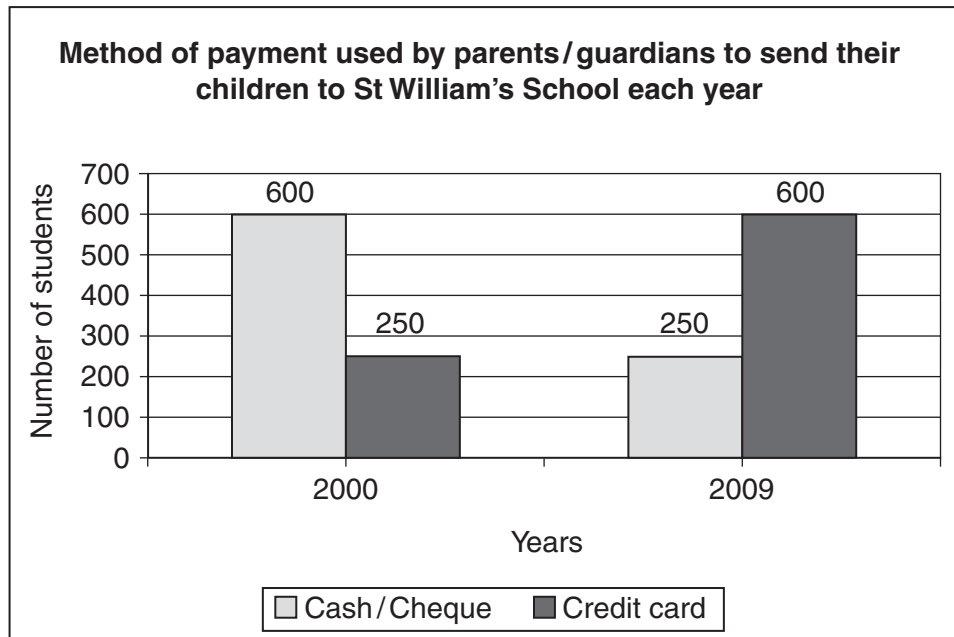
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- (f) Parents/guardians pay the current £10 000 yearly fee using one of the methods of payment shown in Fig. 5.



**Fig. 5**

Using the information in Fig. 5, explain why the method of payment being used by parents/guardians at St William's School might have changed.

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**[Total marks: 29]**

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