

GENERAL CERTIFICATE OF SECONDARY EDUCATION
BUSINESS STUDIES B

Business Organisation (Foundation Tier)

2321/01

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 15 minutes



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 answers to questions labelled with an asterisk (*).
- This document consists of **12** pages. Any blank pages are indicated.



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

- 1 Sue makes jars of jam, chutney and cooking sauce at home to sell at local markets. She has now received a large order from a major retail shop.

(a) Sue must decide whether to remain a sole trader or set up as a private limited company.

(i) What is meant by the term sole trader?

.....

.....

.....

..... [2]

(ii) Complete the sentence that follows about private limited companies by correctly using **two** of the words below.

assets liability shareholders state

Private Limited Companies have limited and are owned by
the [2]

(b) Sue has been advised to change her business to a private limited company. Explain **two** advantages to Sue of her business becoming a private limited company.

1

.....

.....

.....

2

.....

.....

..... [4]

(c) Explain **one** reason why Sue might work.

.....

.....

.....

..... [2]

(d) Sue uses batch production to make the jars of jam, chutney and cooking sauce.

(i) What is meant by batch production?

.....

.....

.....

..... [2]

(ii) Explain **one** advantage to Sue of using batch production.

.....

.....

.....

..... [2]

[6+2]

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2 Marc, Peter and Stanislav own 'The Pot Place' which produces garden pots.

(a) The pots are produced using the following inputs:

- Marc, Peter and Stanislav's business expertise
- pot makers (potters)
- factory space
- kilns for making the pots.

Match each of these inputs to the appropriate factor of production in Fig. 1 below.

Factor of production	Input
Capital	
Enterprise	
Labour	
Land	

Fig. 1

[4]

(b) Marc has drawn up the following financial forecast for 2011.

Financial Forecast for 2011	
	£
Revenue from selling pots	650 000
Other revenue	120 000
Variable costs	550 000
Promotion expenditure	50 000
Other fixed costs	200 000
Net Profit	<input type="text"/>

Fig. 2

(i) Using an example other than promotion, explain what is meant by fixed costs.

.....

.....

.....

.....

[2]

..... [4]

- spending more on advertising
- reducing prices.

Name of business

Discuss whether spending more money on advertising or reducing prices would be the best way for your chosen business to increase sales.

..... [6]

[Total: 16]

- 3 Lan is the Managing Director of Plumpton Services plc which supplies office equipment and IT services to a large number of organisations.

Fig. 3 below shows part of an organisation chart for Plumpton Services plc.

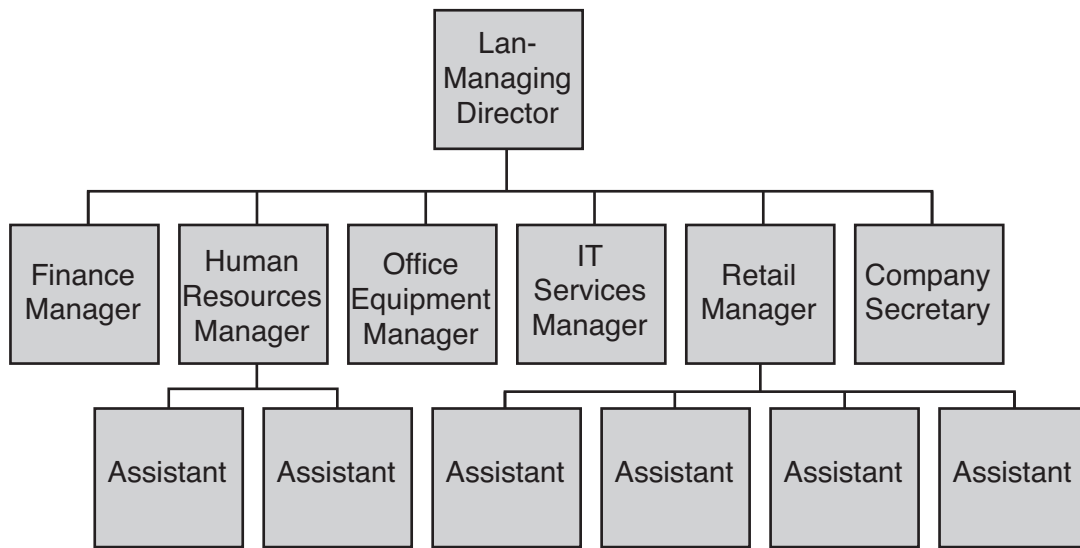


Fig. 3

Use Fig. 3 to answer the following questions.

- (a) (i) Explain the meaning of the term span of control.

.....

.....

.....

..... [2]

- (ii) How many people are in Lan's span of control?

..... [1]

- (iii) How many levels are shown in the hierarchy of Plumpton Services plc?

..... [1]

- 4 Emma is the Human Resources Manager of Fedcam Trust, a charity involved in education in East Africa.

- (a) Fedcam Trust is in the tertiary sector of the economy.

In Fig. 4 below, put a tick (✓) against the **two** statements that are true of the tertiary sector.

Statement	Tick (✓) if it is true of the tertiary sector
Is made up of the primary and secondary sectors	
Includes the service industry	
Involves computerised production only	
Transport and shops are examples	

Fig. 4

[2]

- (b) Emma needs to contact Fedcam Trust's stakeholders.

- (i) Identify **two** possible stakeholders of Fedcam Trust.

1

2 [2]

- (ii) For **one** of these stakeholders, explain **one** reason why Emma, as Human Resources Manager, might wish to contact them.

Stakeholder

Explanation

.....

..... [2]

Name of business

- face to face interviews
- postal questionnaires
- secondary methods.

[6]

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