

GENERAL CERTIFICATE OF SECONDARY EDUCATION
BUSINESS STUDIES A (SHORT COURSE)

1051/03

Case Study – Paper 3 (Foundation Tier)

Candidates answer on the Question Paper

OCR Supplied Materials:

- Clean copy Case Study

Other Materials Required:

- Calculator may be used

Thursday 20 May 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).
- Make sure that all your answers relate to the pre-released case study material.

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**

Answer **all** questions.

MAKE SURE THAT ALL YOUR ANSWERS RELATE TO THE PRE-RELEASED CASE STUDY MATERIAL.

- 1 (a) Explain **one** reason why GTD plc might be classed as a secondary business.

.....

.....

.....

..... [2]

- (b) (i) Explain **one** benefit to Gus of using his own money and a grant from the government (lines 23-24) to set up his business in 1996.

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..... [3]

- (ii) Explain **one** advantage to GTD plc of being a public limited company.

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..... [3]

(c) Use **Resource Sheet 1** to help answer this question.

Explain how important the following stakeholder groups are to GTD plc?

Customers

.....

.....

.....

Community

.....

.....

..... [4]

[Total mark:12]

2 (a) Use **Resource Sheet 2** to answer the following questions.

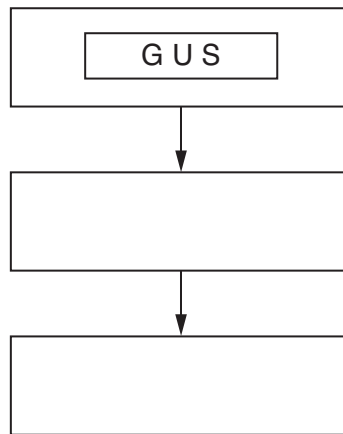
(i) Who delegates work to the accounts clerk?

..... [1]

(ii) What is Wayne's span of control?

..... [1]

(iii) Complete the boxes below to show the chain of command from Gus to the credit control clerk.



[2]

(b) Explain **one** reason why it may be important for GTD plc to find new markets abroad (lines 64-67).

.....

 [2]

(c) Explain **two** disadvantages to GTD plc of establishing a factory in India (line 68).

1

 2

(d) Use **Resource Sheet 3** to help answer the following questions.

(i) State **two** possible reasons why Karen carried out market research.

1

2 [2]

(ii) Explain **one** way in which Karen might have used ICT (Information and Communication Technology) to help get the information in **Resource Sheet 3**.

.....

.....

.....

..... [2]

(e) Use **Fig. 2** in the case study to answer the following question.

Calculate the **total cost** (in the first six months) of Karen's proposal for a factory in India. Show your working.

.....

.....

.....

..... [2]

(f) Explain how Bob's objectives as Finance Director might conflict with Wayne's objectives.

.....

.....

.....

..... [2]

[Total mark: 18]

3 (a) Answer the following **TRUE or FALSE**.

- (i) Cost-plus pricing adds a mark-up to the full cost of making the turbine blade.

..... [1]

- (ii) Cost-plus pricing takes account of prices charged by competitors in the market for turbine blades.

..... [1]

- (b) GTD plc uses batch production to make the turbine blades. Explain why GTD plc chooses to use this method of production instead of flow production.

.....

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..... [3]

- (c) The Board of Directors is considering changing some of the production to flow production in order to increase output. What effect might this have on **staff training**?
Give reasons for your answer.

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..... [4]

- skin complaints
- deadlines not met
- petrol issues.

Which of these issues is **most likely** to have a direct effect on the motivation of the workforce? Give reasons for your answer.

..... [6+2]

[Total mark: 17]

- 4 (a) Use **Resource Sheet 4** to answer the following questions.

Total sales revenue has increased from £6m in 2010 to £8m in 2011. Calculate the % increase in **total** sales revenue. Show your working.

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.....

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..... [3]

- (b) The cost of sales at GTD plc increased between 2010 and 2011. Tick (✓) the **two** items in the table below that may have made the cost of sales go up.

Item	Tick (✓)
Purchases	
Salaries	
Equipment	
Opening Stock	

[2]

- (c) Suggest **one internal** and **one external** method of finance the Board of Directors might use to raise the money they need for the future plans (lines 112-113).

Internal

.....

External

..... [2]

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