

OCR

Oxford Cambridge and RSA

Thursday 7 January 2016 – Afternoon

LEVEL 1/2 CAMBRIDGE NATIONALS IN BUSINESS AND ENTERPRISE

R061/01 Introduction to Business

Candidates answer on the Question Paper.

OCR supplied materials:

- Clean copy of the pre-release Research Brief (inserted)

Other materials required:

None

Duration: 1 hour



Candidate forename		Candidate surname	
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Centre number						Candidate number				
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INSTRUCTIONS TO CANDIDATES

- The Insert can be found inside this document.
- Write your name, centre number and candidate number in the boxes above. Please write clearly and in capital letters.
- Use black ink. HB pencil may be used for graphs and diagrams only.
- Answer **all** the questions.
- Read each question carefully. Make sure you know what you have to do before starting your answer.
- Write your answer to each question in the space provided. If additional space is required, you should use the lined pages at the end of this booklet. The question number(s) must be clearly shown.
- Do **not** write in the bar codes.

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**.
- This document consists of **16** pages. Any blank pages are indicated.

PLEASE DO NOT WRITE ON THIS PAGE

Some of the questions in this examination are based on the scenario in the Research Brief and your background research.

Answer all questions.

SECTION A

Ken Hui set up Kenns, a kennel service, as a sole trader in 2006.

1 (a) In the list below, put one tick in the box next to the description of a sole trader.

Description	Tick (✓) the correct box
A business which sells shares on the stock exchange	
A business with unlimited liability	
A business with two or more owners	

[1]

In 2012 Kenns became a partnership. Ken and his wife, Jess, are the two partners in the business.

(b) Explain one reason why Ken and Jess could benefit from operating the business as a partnership.

Reason

Explanation

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[3]

(c) Ken and Jess want to expand the business to attract customers from a wider national market as well as local customers.

Explain one reason why being a private limited company would be better for Kenns as the business grows.

Reason

Explanation

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[2]

Turn over

SECTION B

The business' objectives have changed in the last 10 years.

2 (a) Apart from expansion, state and explain **one** business objective which Ken might have had when he **started** the business in 2006.

Objective

Explanation

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[2]

(b) Ken and Jess want to expand the business by introducing dog day-care and selling organic pet food online. Jess has suggested to Ken that he needs to prepare a business plan.

Using your research of businesses, analyse why it is important for **small** businesses to prepare a business plan when making important decisions such as expansion. [6]

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SECTION C

Ken and Jess know that costs will increase when expanding the business.

- 3 (a)** In the list below, tick **three** items on which Kenns would have to spend money when introducing the new dog day-care business. **[3]**

Item	Tick (✓) three boxes
Advertising	
Employees	
Holiday	
New car	
New house	
Power	

- (b)** Explain **one** reason why the actual profit from the dog day-care business might be less than expected.

Reason

Explanation

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[2]

- 4 (a) Kenns needs to spend a significant amount of money on marketing the new dog day-care business.

From the list below, tick **one** box which correctly matches the term **marketing** with its description.

Description	Tick (✓) one box
Marketing is about making sure all packaging is environmentally friendly	
Marketing is only about advertising on the television	
Marketing is identifying and satisfying consumer wants	

[1]

- (b) Using your research of businesses, analyse why market segmentation is important to Kenns when promoting its new dog day-care service.

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[6]

5 The organic pet food is produced using batch production.

(a) From the list below, tick **one** box which correctly matches the term **batch production** with its description.

Description	Tick (✓) one box
It is the production of specially ordered individual packages of dog food	
It is the production of a large amount of dog food. Production is then changed to the making of a large amount of cat food	
It is the production of the same type of dog food continuously	

[1]

(b) Identify and explain **one** method of quality control which could be used to maintain the quality of the organic pet food.

Method

Explanation

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[3]

6 Ken and Jess' proposed expansion of the business into dog day-care will require the recruitment of more employees.

(a) They are planning to recruit the new employees using external recruitment.

Explain **one** advantage of external recruitment.

Advantage

Explanation

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[2]

(b) Identify **one** type of training which Ken and Jess might use to train the new employees.

..... [1]

(c) Explain **two** reasons why a business such as Kenns should try to **retain** its existing employees.

Reason

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Explanation

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Reason

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Explanation

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[4]

(d) Using your research of businesses, evaluate ways in which a business such as Kenns might assess the performance of its employees. [10]

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SECTION D

7 Explain **one** social factor which might affect Ken and Jess' business.

Social factor

Explanation

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[3]

8 Ken and Jess know that businesses can be affected by external factors. These include:

- economic factors
- environmental factors.

Using your research of businesses, evaluate which of these factors will have the greatest impact on a business such as Kenns. **[10]**

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END OF QUESTION PAPER

ADDITIONAL ANSWER SPACE

If additional answer space is required, you should use the following lined page(s). The question number(s) must be clearly shown in the margins.

A large area of lined paper for writing answers. It features a vertical margin line on the left side and horizontal dotted lines for writing. The lines are evenly spaced and extend across the width of the page.

A large area of the page is reserved for writing, featuring a vertical solid line on the left side and horizontal dotted lines extending across the page.



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