

ADVANCED SUBSIDIARY GCE
BUSINESS STUDIES
Business Functions

F292

Candidates answer on the question paper.

OCR supplied materials:

- Clean copy case study

Other materials required:

- A calculator may be used

Tuesday 24 May 2011
Morning

Duration: 2 hours



Candidate forename		Candidate surname	
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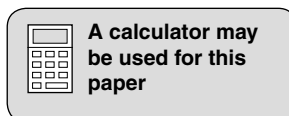
Centre number						Candidate number				
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INSTRUCTIONS TO CANDIDATES

- Write your name, centre number and candidate number in the boxes above. Please write clearly and in capital letters.
- Use black ink. Pencil may be used for graphs and diagrams only.
- 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. Additional paper may be used if necessary but you must clearly show your candidate number, centre number and question number(s).
- Answer **all** the questions. You should not need to spend more than 30 minutes on Section A.
- 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 **90**.
- The quality of your written communication will be taken into account in marking your answer to the question labelled with an asterisk (*). Marks will be awarded for spelling, punctuation and grammar, use of appropriate form and style of writing, and for organising work clearly and coherently.
- This document consists of **20** pages. Any blank pages are indicated.



Section A

Answer **all** questions.

Question 1 does **not** relate to the JKL case study.

1 (a) Define the term 'margin of safety'.

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..... [2]

(b) Identify **two** leadership styles.

1:

2: [2]

(c) State **two** marketing objectives.

1:

2: [2]

(d) A business is considering purchasing a new piece of machinery at a cost of £50,000. The machinery is expected to last for five years and produce annual net cash inflows as follows.

Year	Net cash inflow (£)
0	(50,000)
1	20,000
2	30,000
3	40,000
4	40,000
5	40,000

Calculate the Accounting Rate of Return (ARR) for the machinery.

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Answer: [4]

(e) Outline **two** benefits to a firm of using cell production.

1:
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..... [4]

(f) Explain **one** advantage and **one** disadvantage to a business of having a high labour turnover.

Advantage:
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..... [4]

Disadvantage:
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..... [4]

Section A Total [18]
Turn over

Section B

Answer **all** questions.

Questions 2–5 are based on the JKL case study. Your answers should make specific reference to the issues facing JKL.

- 2 (a) (i) Matthew Albie estimates that there are currently a total of 120,000 children in day nurseries in JKL's target market in the Birmingham area.

Calculate JKL's market share.

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Answer: [2]

- (ii) The total cost of providing daycare for a child up to two years old at JKL is £200 per week.

Calculate the percentage mark-up on total cost for this service at JKL.

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Answer: [2]

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[16]

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- 4 Assess the likely impact on the motivation of JKL's employees of the proposal to increase capacity utilisation in each childcare centre.

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[16]

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Section B Total [72]

Paper Total [90]

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