

**GENERAL CERTIFICATE OF SECONDARY EDUCATION**  
**APPLIED BUSINESS**  
Business in Action

**A241**

Candidates answer on the question paper.

**OCR supplied materials:**  
None

**Other materials required:**  
• A calculator may be used

**Monday 6 June 2011**  
**Morning**

**Duration:** 1 hour 30 minutes



Candidate forename		Candidate surname	
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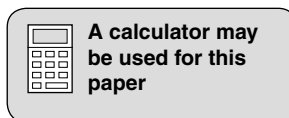
Centre number						Candidate number				
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**INSTRUCTIONS TO CANDIDATES**

- 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.
- 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 **80**.
- Your quality of written communication is assessed in questions marked with an asterisk (\*).
- This document consists of **16** pages. Any blank pages are indicated.



**Text 1**

Gorse Hill Farm has been owned by the Price family for many years. It is currently run by brothers Derek and John. They operate the business as a partnership. Both brothers live with their families in their own houses on the farm.

**1 Refer to Text 1.**

(a) Identify the type of business activity in which Gorse Hill Farm is most likely to operate.

..... [1]

(b) Complete the following sentences by choosing the correct word from the list below. [4]

- |         |           |          |
|---------|-----------|----------|
| twenty  | forty     | legal    |
| limited | unlimited | business |
| deed    | agreement |          |

A partnership consists of between two and ..... partners. Partnerships have ..... liability. When setting up a partnership, the partners are advised to draw up a ..... document known as a ..... of partnership.

(c)\* Gorse Hill Farm is set up as a partnership. It could also have been set up as a sole trader or private limited company.

Is a partnership the best form of ownership for Gorse Hill Farm? Give reasons for your answer, explaining why the other forms of ownership are not the best for the owners of this business.

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**Text 2**

Derek and John have different aims for Gorse Hill Farm. Derek aims to expand the business and intends to open a farm shop.

**2 Refer to Text 2.**

(a) State and explain **two** reasons why it is important for the partners of Gorse Hill Farm to set aims for the business.

1: .....

.....

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.....

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2: .....

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..... [4]

(b) Derek intends to open a farm shop. The following stakeholders will have an interest in the farm shop:

- local community;
- bank manager;
- employees.

For each stakeholder, explain **one different** interest they would have in the farm shop.

- Local community: .....
- .....
- .....
- .....
- .....
- .....

- Bank manager: .....  
.....  
.....  
.....  
.....  
.....  
.....
- Employees: .....  
.....  
.....  
.....  
.....  
.....  
..... [6]

(c) Describe **one** conflict which has occurred between the interests of **two different** stakeholder groups in a business you have studied.

Name of business: .....  
Name of stakeholder group 1: .....  
Name of stakeholder group 2: .....  
Conflict: .....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
..... [3]

[Total: 13]

**Text 3**

Derek and John employ ten workers all year round on the farm. Between them the two partners, their wives and the ten workers ensure that the activities within each of the functional areas of the business are completed. Derek and John also employ seasonal workers as and when required. In addition, Freya, John's wife, looks after the accounts. The farm shop has now been opened and is run by Natasha, Derek's wife.

**3 Refer to Text 3.**

(a) For **each** of the functional areas listed below, describe **one** key operational task for a business such as Gorse Hill Farm.

- Finance: .....  
.....  
.....  
.....  
.....  
.....
  
  - Human resources: .....  
.....  
.....  
.....  
.....  
.....
  
  - Administration: .....  
.....  
.....  
.....  
.....  
.....
- [6]

(b)\* Evaluate the possible consequences to the efficient operation of Gorse Hill Farm if the functional areas do **not** operate together.

Dotted lines for writing





(f) (i) State and explain **one** benefit to Gorse Hill Farm of introducing ICT.

.....  
.....  
.....  
.....  
.....  
..... [2]

(ii) State and explain **one** drawback to Gorse Hill Farm of introducing ICT.

.....  
.....  
.....  
.....  
..... [2]

[Total: 28]

**Text 4**

Derek believes that the farm shop will be very successful. Many customers of the Farm want to know where their food has come from and whether it has been produced in an ethical manner.

**4 Refer to Text 4.**

- (a) State and explain **two** ways in which Gorse Hill Farm and the farm shop could be seen to be operating in an ethical manner.

1: .....

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2: .....

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..... [4]

- (b)\* Evaluate the possible consequences to a business you have studied if it does **not** behave in an ethical manner.

Name of business: .....

.....

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**Text 5**

Once the farm shop is established and operating successfully, Derek would like to be more enterprising by expanding the farm shop business further. He is considering taking the risk of offering franchises of the farm shop.

**5 Refer to Text 5.**

**(a) (i)** State and explain **one** advantage of franchising to the **franchisor**.

.....  
.....  
.....  
.....  
.....  
.....  
..... [2]

**(ii)** State and explain **one** advantage of franchising to the **franchisee**.

.....  
.....  
.....  
.....  
.....  
..... [2]

**(b)** Other than offering franchises, explain **two** ways in which a business you have studied could be enterprising by taking a risk.

Name of business: .....

1: .....

.....  
.....  
.....  
.....  
.....

2: .....  
.....  
.....  
.....  
.....  
.....  
..... [4]

(c) State **two** ways in which the employees could assist Gorse Hill Farm and the farm shop in operating in an enterprising way.

1: .....  
.....  
.....  
2: .....  
.....  
..... [2]

[Total: 10]

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