

Candidate Forename		Candidate Surname	
-------------------------------	--	------------------------------	--

Centre Number						Candidate Number				
--------------------------	--	--	--	--	--	-----------------------------	--	--	--	--

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS
ADVANCED SUBSIDIARY GCE**

F292

BUSINESS STUDIES

Business Functions

THURSDAY 21 MAY 2009: Morning

DURATION: 2 hours

SUITABLE FOR VISUALLY IMPAIRED CANDIDATES

Candidates answer on the question paper.

OCR SUPPLIED MATERIALS:

Case Study (clean copy)

OTHER MATERIALS REQUIRED:

Calculators may be used

READ INSTRUCTIONS OVERLEAF

INSTRUCTIONS TO CANDIDATES

- **Write your name clearly in capital letters, your Centre Number and Candidate Number in the boxes on the first page.**
- **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.**
- **You must answer Question 1 in Section A and Questions 2–5 in Section B. You should not need to spend more than 30 minutes on Section A.**
- **Write your answer to each question in the space provided, however additional paper may be used if necessary.**

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.**

SECTION A

Answer ALL questions.

Question 1 does NOT relate to the HCL case study.

- 1 (a) Stock is one item listed under the heading of current assets on a balance sheet. State TWO other current assets.

1 _____

2 _____ [2]

- (b) Identify TWO disadvantages to an organisation of high labour turnover.

1 _____

2 _____

_____ [2]

- (c) Define the term 'customer orientation'.

_____ [2]

**(d) A firm produces cereal bars. The direct costs are 18 pence per unit.
A local health shop wishes to place an order for 40,000 cereal bars at a price of 20 pence each.
The order will incur an additional overhead cost of £350.**

Calculate the total contribution of this order.

_____ [4]

(e) Outline TWO advantages of introducing Just-in-Time (JIT) into the production process of a firm.

1 _____

2 _____

_____ [4]

(f) Explain TWO different payment methods for employees.

1 _____

2 _____

_____ **[4]**

Section A Total [18]

SECTION B

Answer questions 2–5.

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

- 2 (a) Calculate the price elasticity of demand for ‘Parsnip crisps’ as a result of the price rise from February to March 2009.**

[4]

(b) Discuss the factors which HCL might consider in setting the prices of its crisps.

[16]

3 WITH REFERENCE TO FIGURE 3, recommend changes that could be made to the organisational structure of HCL in order to improve performance.

[16]

4 Evaluate the usefulness to HCL of investment appraisal techniques in deciding whether to install the new system in its existing factory (lines 128–132).

[16]

5* Richard Hoiles is proposing introducing a dedicated production line in the new factory. (Lines 70–73)
Discuss the advantages and disadvantages to HCL of this proposal.

**Quality of written communication will be taken
into account [20]**

Section B Total [72]

Paper Total [90]

If you use these lined pages you **MUST** write the question number next to your answer.



Copyright Information

OCR is committed to seeking permission to reproduce all third-party content that it uses in its assessment materials. OCR has attempted to identify and contact all copyright holders whose work is used in this paper. To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced in the OCR Copyright Acknowledgements Booklet. This is produced for each series of examinations, is given to all schools that receive assessment material and is freely available to download from our public website (www.ocr.org.uk) after the live examination series.

If OCR has unwittingly failed to correctly acknowledge or clear any third-party content in this assessment material, OCR will be happy to correct its mistake at the earliest possible opportunity.

For queries or further information please contact the Copyright Team, First Floor, 9 Hills Road, Cambridge CB2 1PB.

OCR is part of the Cambridge Assessment Group; Cambridge Assessment is the brand name of University of Cambridge Local Examinations Syndicate (UCLES), which is itself a department of the University of Cambridge.