

**Thursday 10 January 2013 – Afternoon**

**GCSE BUSINESS STUDIES**

**A292/01 Business and People**

Candidates answer on the Question Paper.

**OCR supplied materials:**

None

**Other materials required:**

- Calculators may be used.

**Duration: 1 hour**



|                       |  |                      |  |
|-----------------------|--|----------------------|--|
| Candidate<br>forename |  | Candidate<br>surname |  |
|-----------------------|--|----------------------|--|

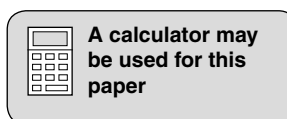
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| Centre number |  |  |  |  |  | Candidate number |  |  |  |  |
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**INSTRUCTIONS TO CANDIDATES**

- Write your name, centre number and candidate number in the boxes above. Please write clearly and in capital letters.
- Use black ink. 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. Additional paper may be used if necessary but you must clearly show your candidate number, centre number and question number(s).
- 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**.
- Your Quality of Written Communication will be assessed in questions marked with an asterisk (\*).
- This document consists of **12** pages. Any blank pages are indicated.



Answer **all** questions.

1 Jackmans is a farm which operates as a partnership. The farm specialises in growing various types of fruit and vegetables which it then sells to supermarkets around the United Kingdom (UK).

(a) (i) Complete the following **three** sentences by **crossing out the incorrect** box in each sentence.

**Sentence one**

Partners normally have  **UNLIMITED LIABILITY** OR  **LIMITED LIABILITY** .

**Sentence two**

On the profits, partners normally pay  **INCOME TAX** OR  **CORPORATION TAX** .

**Sentence three**

By growing fruit Jackmans belongs in the  **TERTIARY SECTOR** OR  **PRIMARY SECTOR** .

[3]

(ii) Explain **two** advantages to Jackmans of operating as a partnership rather than as a private limited company.

1 .....

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2 .....

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[4]

(iii) Jackmans has many stakeholders.

Identify why each of the following stakeholders may have an interest in Jackmans:

**government**

.....  
.....

**the local community**

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.....

[2]

(b) Jackmans uses many different types of verbal and non-verbal communication.

(i) What is the difference between **verbal communication** and **non-verbal communication**?

.....  
..... [1]

(ii) Explain **two** barriers to communication which may exist between Jackmans and its customers.

1 .....

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[4]

(iii) Over the last 20 years there has been an increase in the use of electronic methods of communication such as email, while the use of traditional paper-based methods such as letters has decreased.

Explain **one** reason why businesses have increased the use of ICT in communication.

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

- (c) Jeff Thompson is employed by Jackmans to pick vegetables. Fig. 1 below shows his wage slip for the week ended 14 December 2012.

**Wage slip for Jeff Thompson – Week ended 14 December 2012**

|                               |               |                                     |                      |
|-------------------------------|---------------|-------------------------------------|----------------------|
| <b>Employee Jeff Thompson</b> |               | <b>Employee Number 56</b>           |                      |
|                               |               | <b>Week ended 14 December 2012.</b> |                      |
| <b>Pay</b>                    | <b>£</b>      | <b>Deductions</b>                   | <b>£</b>             |
| Basic Pay                     | 300.00        | Income Tax                          | <input type="text"/> |
| Overtime Pay                  | 75.00         |                                     |                      |
| Gross Pay                     | 375.00        | Other deductions                    | 30                   |
| <b>Net Pay</b>                | <b>295.00</b> | <b>Total Deductions</b>             | <b>80</b>            |

**Fig. 1**

- (i) Calculate the amount of income tax which Jeff Thompson paid in the week ended 14 December 2012. Show your working.

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..... [2]

- (ii) Jackmans is considering employing more workers on a seasonal basis.

Explain **one** advantage and **one** disadvantage to **Jackmans** of employing workers on a seasonal basis.

**Advantage** .....

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**Disadvantage** .....

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[4]



2 In 1999 Len and Ivan set up a business which designs and sells computer game software to businesses around the United Kingdom (UK) and the rest of Europe.

(a) Len and Ivan had to decide on a type of business ownership. They had the following requirements:

- to keep control of their business
- to be capable of expanding the business
- to be able to raise additional capital from other investors
- to risk nothing other than the capital with which they started their business.

Using the information above, identify the type of business ownership which was most suitable for Len and Ivan.

..... [1]

(b) Len and Ivan then had to decide where to locate the business.

(i) Len thought that the business was **footloose** in terms of location, but Ivan disagreed.

Explain the meaning of the term 'footloose'.

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..... [2]

(ii) Explain **two** factors which Len and Ivan might have considered when deciding where to locate the business.

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[4]

- (c) By 2012 the business had grown significantly. It had become a public limited company called Software Imagination (SI plc). SI plc employs 150 people. Its internal organisation now has many layers as shown in Fig. 2 below.

Extract from SI plc's organisational chart

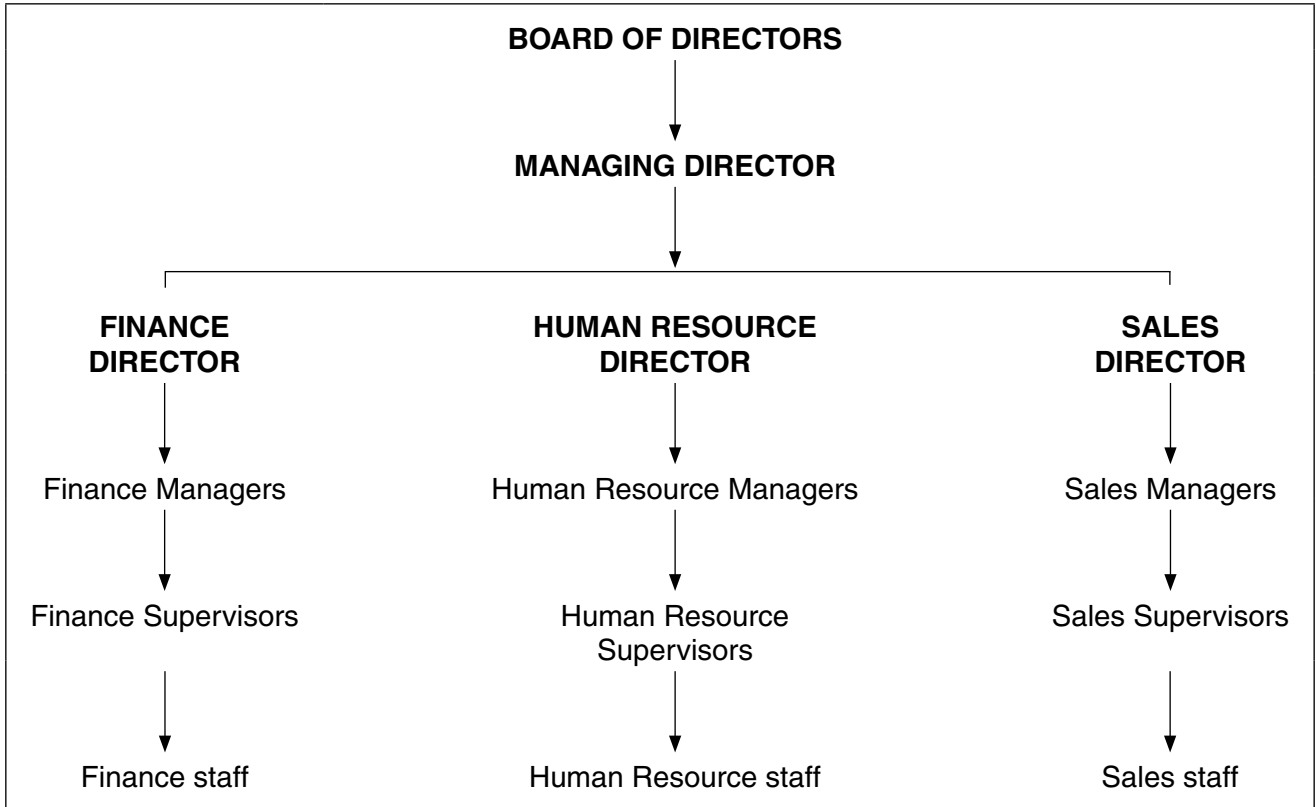


Fig. 2

- (i) Explain why it is important that businesses have a clear **hierarchy**.

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..... [2]

- (ii) The Managing Director of SI plc is considering **delayering** the business. Using an example from Fig. 2, explain why delayering might be beneficial to SI plc.

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..... [3]

- (d) Most of SI plc's sales staff are paid a fixed salary. The company is thinking of changing the payment system in order to further motivate its sales staff. It is considering paying the sales staff a smaller salary, but with commission on the sales which they achieve.

Referring to **both** methods of payment, recommend whether SI plc would be more successful in motivating its sales staff by continuing to pay a **fixed salary** or by paying a **smaller salary plus commission** on the sales which they achieve.

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- (ii) One well qualified internal candidate who has applied for the post of Finance Director is Karen Jones, who has recently got married. SI plc is unsure whether to shortlist her as she may wish to start a family in the near future.

Using your knowledge of **employment law**, advise SI plc on whether it should take this into account when deciding whether or not to shortlist Karen. Give a reason for your answer.

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..... [2]

- (f) As part of the organisational changes at SI plc, the new Finance Director has suggested to the Board of Directors that SI plc should reduce overall staffing numbers by ten. This will involve making some employees redundant.

Explain what is meant by 'redundancy'.

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..... [2]

- (g) Every employee at SI plc is a member of one of three different trade unions. In response to the threat of redundancy, Union A and Union B are considering calling a strike. Fig. 3 below shows the percentage of employees belonging to each trade union.

**Trade union membership at SI plc**

|               | Percentage of SI plc employees |
|---------------|--------------------------------|
| Trade union A | 5%                             |
| Trade union B | 10%                            |
| Trade union C | 85%                            |

**Fig. 3**

- (i) Using Fig. 3, explain the possible impact on SI plc of Union A and Union B members going on strike.

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..... [2]

- (ii) Other than going on strike, explain **one other** method of industrial action which a trade union may take.

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..... [2]

**END OF QUESTION PAPER**

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