

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
LEVEL 1/2
R061/01
CAMBRIDGE NATIONALS IN BUSINESS
AND ENTERPRISE

Introduction to Business

WEDNESDAY 21 MAY 2014: Morning

DURATION: 1 hour
plus your additional time allowance

MODIFIED ENLARGED

Candidate forename		Candidate surname	
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Centre number						Candidate number				
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Candidates answer on the Question Paper.

OCR SUPPLIED MATERIALS:

**Clean copy of the Pre-Release Research Brief
(R061/01 – inserted)**

OTHER MATERIALS REQUIRED:

None

READ INSTRUCTIONS OVERLEAF

INSTRUCTIONS TO CANDIDATES

The Insert can be found inside this document.

Write your name, centre number and candidate number in the boxes on the first page. 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).

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.

Any blank pages are indicated.

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

The Board of Directors of Ykale plc want each garden centre to do more for its local community.

- 1 (a) Draw ONE line to correctly complete the following sentence about a public limited company. [1]**

A public limited company _____

is controlled by the government.

trades its shares on the stock exchange.

(b) Explain ONE benefit and ONE drawback to the shareholders of Ykale plc of it being a public limited company.

Benefit _____

Drawback _____

[4]

SECTION B

Two of Ykale plc's objectives are to increase profit and to use some of this profit to benefit society.

- 2 (a) State and explain ONE other objective Ykale plc might have.

Objective _____

Explanation _____

[3]

[illegible]

SECTION C

Ykale plc has decided to grow organically produced plants.

- 3 Explain ONE way in which growing organically produced plants might have an effect on the PROFIT of Ykale plc.**

[3]

- 4 (a) Ykale plc intends to set the prices for its organically produced plants at a higher level than non-organically produced plants sold in its garden centres.

Identify the pricing method which Ykale plc intends to use. Place a tick (✓) in the correct box in the table below.

Pricing method	Tick (✓)
Penetration	
Psychological	
Skimming	

[1]

- (b) Janice is the manager of one of the garden centres owned by Ykale plc.

- (i) Janice wants to conduct some research into the local market for organically produced plants.

Identify ONE segment of the market which is likely to use the garden centre.

_____ [1]

(ii) Explain ONE way in which market segmentation could help Janice to conduct her market research.

[3]

(c) Complete the TWO sentences about market research by selecting the correct words from the list below.

**Alphabetical
Field work
First hand
Government statistics
Second hand**

Primary research is the gathering of
_____ **data.**

This can be conducted through
_____ **.**

Secondary research is the gathering of

data such as _____ **.**
[4]

(d) Using your research of businesses in your area, recommend and justify a marketing mix which Ykale plc could use to sell its organically produced plants. [10]

[illegible]

[illegible]

- 5 (a) Janice wants to ensure that she retains the staff employed at the garden centre which she manages.**

Explain ONE reason why Janice wants to retain staff.

[3]

- (b) Explain ONE reason why Janice should provide good working conditions for the staff at the garden centre which she manages.**

[3]

- (c) Janice assesses the performance of each member of staff on an annual basis.**

Analyse why performance management is important to Ykale plc.

[5]

SECTION D

- 6 Choosing from the list below, tick (✓) TWO boxes which show examples of ethical behaviour.

Examples	Tick (✓)
Increasing prices to make more profit	
Making sure customers are safe	
Paying staff the lowest wage possible	
Seeking to employ staff with a disability	

[2]

7 The following are three external factors which affect businesses:

**technological
environmental
legal.**

**Using your research of businesses in your area,
evaluate which of these factors will have the greatest
impact on a garden centre such as Ykale plc. [10]**

[illegible]

END OF QUESTION PAPER

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