

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS  
LEVEL 1/2**

**R061/01**

**CAMBRIDGE NATIONALS IN BUSINESS  
AND ENTERPRISE**

**Introduction to Business**

**WEDNESDAY 20 MAY 2015 : Morning**

**DURATION: 1 hour**

**plus your additional time allowance**

**MODIFIED ENLARGED 24pt**

<b>Candidate forename</b>		<b>Candidate surname</b>	
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<b>Centre number</b>						<b>Candidate number</b>				
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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 of the questions**

## **SECTION A**

**Dazzle Delight Ltd (DDL) was set up 10 years ago as a private limited company.**

- 1 (a) Complete the TWO sentences below which describe features of a private limited company by selecting the correct words from the following list:**

**dividend**

**interest**

**limited**

**profit**

**unlimited.**

**The owners of a private limited company have**

**\_\_\_\_\_ liability.**

**The owners of a private limited company are paid a**

**\_\_\_\_\_ . [2]**

**(b) Identify whether the following statement is true OR false.**

**‘The Board of Directors of DDL is elected by its shareholders.’**

**Place a tick (✓) in the correct box in the table below.**

<b>TRUE</b>	<b>FALSE</b>

**[1]**

**(c) The Board of Directors is considering whether DDL should become a public limited company.**

**Explain ONE reason why DDL might benefit from becoming a public limited company.**

**Reason** \_\_\_\_\_

\_\_\_\_\_

**Explanation** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**[3]**

**SECTION B**

**DDL has many competitors. Some members of its Board of Directors are worried that the level of profit may fall in the next year if DDL develops new products and moves into new markets at the same time.**

- 2 (a) Explain how competition might affect DDL’s ability to increase its market share.**

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**[3]**



**(b) Using your research of businesses in your area, analyse why the objectives of a business such as DDL might change over time. [6]**

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## **SECTION C**

- 3 DDL will need to increase the company's overdraft and to apply for a loan to develop the new products and move into the new markets.**

**(a) The table below lists six statements.**

<b>STATEMENTS</b>
<b>1. Medium to long term. 2. No interest to pay. 3. No repayments. 4. Rate of interest can be fixed. 5. Rate of interest is always variable. 6. Short term.</b>

**Complete Fig. 1 below by writing  
FOUR of these statements in the  
correct column which identifies  
features of either an overdraft or a  
loan.**

**FIG. 1**

<b>OVERDRAFT</b>	<b>LOAN</b>

**[4]**

**(b) DDL would like the new range of products and services to break-even in the first year in which they are sold.**

**Explain the meaning of the term 'break-even'.**

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**[2]**

**4 Analyse why a business such as DDL should plan ahead in order to ensure that it has the correct materials to make its products. [5]**

[illegible]

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**5 DDL has decided to use only primary market research to find out if there are private individuals and businesses which might be interested in DDL's new product range.**

**(a) Explain ONE DISADVANTAGE to a business such as DDL of using only primary market research to find out this information.**

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**[3]**

**(b) The Marketing Director of DDL has suggested the following methods to promote the new tailor-made firework displays in order to increase sales:**

**DDL's website**

**direct mail**

**newspapers**

**social networking**

**trade magazines.**

**Recommend which TWO of these methods DDL should use. Explain why you have recommended EACH method.**

**Recommendation 1** \_\_\_\_\_

**Explanation** \_\_\_\_\_

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**Recommendation 2** \_\_\_\_\_

**Explanation** \_\_\_\_\_

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**[4]**

- 6 (a) The part-time and temporary employees are paid a wage rather than a salary.**

**Explain ONE difference between a wage and a salary.**

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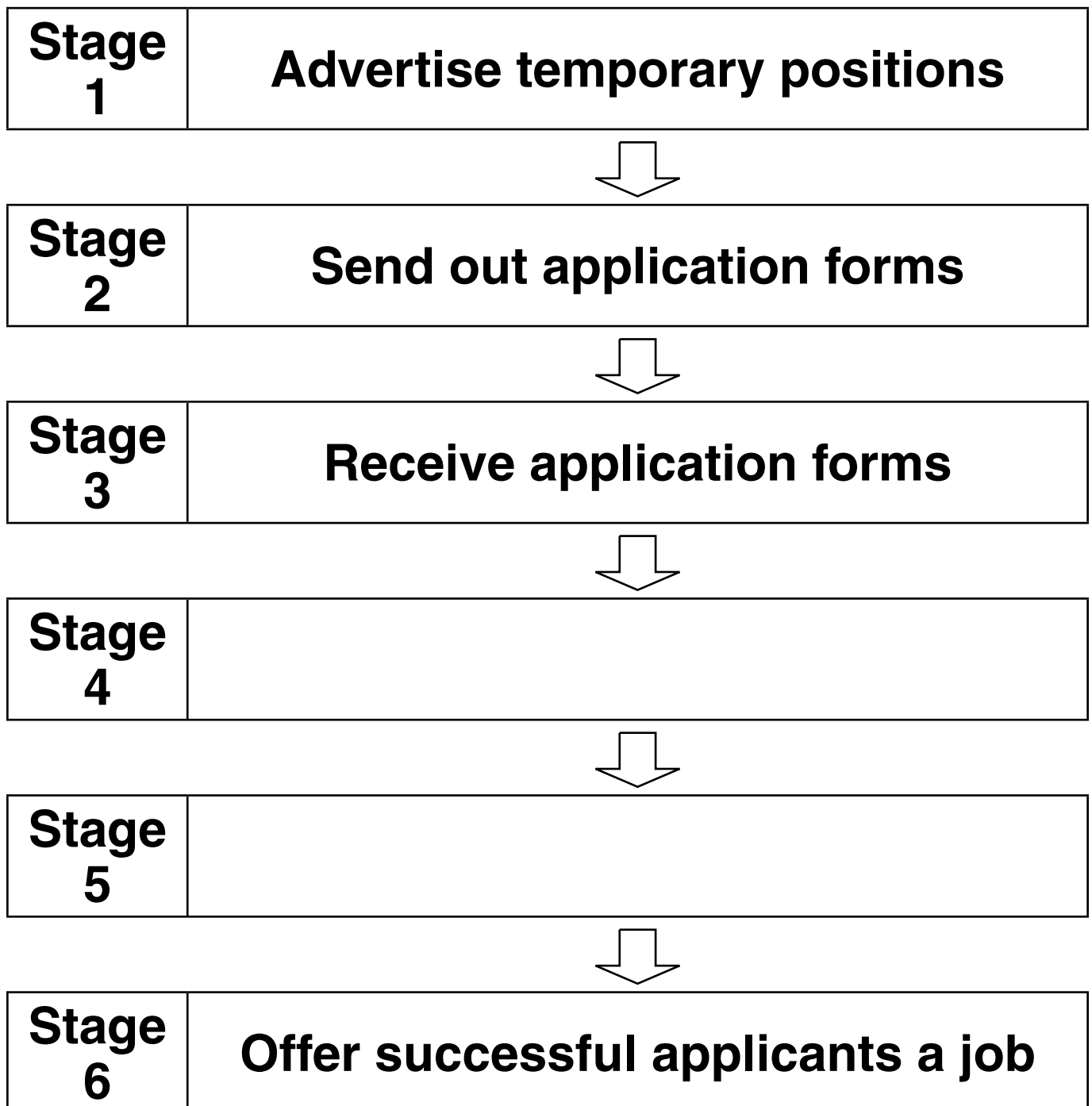
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**[2]**

**(b) The following flowchart shows the main stages in the recruitment process for temporary employees at DDL.**

**Complete Stages 4 and 5 on the flowchart. [2]**



**(c) Using your research of businesses in your own area, evaluate the costs and benefits to a business such as DDL of providing training for its employees. [10]**

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[illegible]

[illegible]



## **SECTION D**

- 7 Businesses such as DDL might be affected by changes in technology.**

**Explain how changes in technology might affect DDL.**

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**[3]**

**8 DDL's Board of Directors knows that the business can be affected by external factors. These factors include:**

**legal**

**social.**

**Using your research of businesses in your area, evaluate which of these two external factors will have the greatest impact on the objectives of a manufacturing OR entertainment business such as DDL.**

**Please state whether you are writing about a manufacturing business or an entertainment business: [10]**

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[illegible]

[illegible]

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**END OF QUESTION PAPER**

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