

**Wednesday 25 May 2016 – Morning**

**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 |  |
|-----------------------|--|----------------------|--|

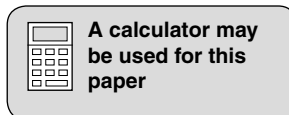
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|---------------|--|--|--|--|--|------------------|--|--|--|--|
| Centre number |  |  |  |  |  | Candidate number |  |  |  |  |
|---------------|--|--|--|--|--|------------------|--|--|--|--|

**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. If additional space is required, you should use the lined page(s) at the end of this booklet. The question number(s) must be clearly shown.
- 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 In 2010 Seeta and Paul set up Modern Furniture Solutions (MFS) which makes and sells office furniture to businesses in the United Kingdom (UK).

(a) Seeta and Paul had to decide on a type of business ownership. They wanted the following:

- to keep control of their business
- to be able to expand their business
- to be able to raise additional capital from other investors
- to not risk losing their personal possessions if the business fails.

(i) Using the information above, identify the type of business ownership which would be most suitable for Seeta and Paul.

..... [1]

(ii) How may the opening of MFS help other businesses and the public in the local area?

**Other businesses** .....

.....

**The public** .....

..... [2]

(iii) MFS operates in both the secondary sector and the tertiary sector. State how MFS operates in each of these sectors of industry.

**Secondary sector**

.....

.....

**Tertiary sector**

.....

..... [2]

(b) (i) One of the original objectives of MFS in 2010 was to provide a good service.

Explain why it is important for businesses such as MFS to provide a good service.

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..... [2]

- (ii) Explain **two** reasons why the objectives of MFS in 2016 may be different from its objectives in 2010.

Reason 1 .....

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Reason 2 .....

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[4]

- (c) In 2016 MFS has 50 employees. Each employee of MFS has a contract of employment.

- (i) Other than each employee’s personal details such as name and home address, state **two** pieces of information which should be included in a contract of employment.

1 .....

2 .....

[2]

- (ii) One of the employees of MFS is Rob, who is employed to assemble the office chairs for its customers. MFS pays Rob on a piece rate system. Last year Rob assembled 1800 chairs and was paid £8 for each chair he assembled.

Calculate how much money Rob was paid for assembling 1800 chairs. Show your workings.

Answer .....

[2]

- (iii) Explain **one** advantage and **one** disadvantage to **MFS** of using a piece rate system to pay Rob.

**Advantage** .....

.....

.....

.....

**Disadvantage** .....

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.....

.....

[4]

- (iv) Rob and other trade union members are concerned about the fairness of the piece rate system and have threatened to go on strike. The management and trade unions at MFS have agreed to refer the disagreement to ACAS.

Tick **two** statements in the table below that are true about ACAS.

| Statement   | Tick (✓) the two true statements |
|---|----------------------------------|
| ACAS gives advice to both management and the trade union in a dispute |                                  |
| ACAS provides pay for workers on strike                               |                                  |
| ACAS provides a meeting place for discussions to take place           |                                  |
| ACAS researches the views of individual trade union members           |                                  |

[2]

(d) The IT manager at MFS, Sasha, often works from home rather than at the offices of MFS. The trend in the number of employees working from home has increased in the UK over the last 15 years.

(i) Explain **one** advantage and **one** disadvantage to **MFS** of having some of its employees working from home.

**Advantage**

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**Disadvantage**

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[4]

(ii) State **one** method of communication MFS can use to **quickly** contact Sasha at home during the day.

..... [1]

(iii) State **one** potential problem of the method of communication you have chosen.

..... [1]

(e) MFS motivates its employees using a range of non-monetary methods. Below are two such non-monetary methods which MFS uses:

- 1 an employee award scheme
- 2 a democratic leadership style.

Explain how each non-monetary method could motivate the employees of MFS.

**An employee award scheme**

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**A democratic leadership style**

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[4]

2 In 1970 Telecom Corporation (TC) was a public corporation selling a range of telecommunication services (such as telephone services) to businesses and the public in the UK.

(a) (i) Choosing from the list below, tick (✓) **one** box to identify the statement which is a correct feature of a public corporation.

| Statement  | Tick (✓)<br>one box |
|--|---------------------|
| <b>A public corporation is owned by 20 partners</b>        |                     |
| <b>A public corporation is owned by the government</b>     |                     |
| <b>A public corporation is owned by family and friends</b> |                     |

[1]

(ii) State and explain **one** advantage and **one** disadvantage to a business of it being a public corporation rather than a public limited company (plc).

**Advantage**

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**Disadvantage**

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[4]

(b) By 1986 TC had changed its ownership and become a plc. It is now called TC plc.

Explain how a change in the **allocation of profits** might affect the shareholders of a plc.

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.....

[2]

(c) Two stakeholder groups of TC plc are **its owners** and the **public**.

Analyse how the aims of these two stakeholder groups within a business may be in conflict.

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..... [4]

(d) When deciding on its organisational structure, TC plc had the following options.

**Option A** An organisational structure with a short chain of command and a wide span of control.

**Option B** An organisational structure with a long chain of command and a narrow span of control.

Recommend whether TC plc should have chosen option A or B. In your answer you must explain why you chose one option and why you rejected the other option.

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..... [6]





(f)\* TC plc received 50 applications for the Marketing Director position. Fig. 1 shows information about the proposed selection process the directors are thinking of using.

| <b>Proposed selection process</b>  |
|--|
| <ul style="list-style-type: none"> <li>• Shortlist only male applicants under the age of 45.</li> <li>• Set a test in literacy and numeracy for 50% of the shortlisted applicants.</li> <li>• Tell the other 50% of the shortlisted applicants to deliver a presentation to the directors on a subject of the applicants' choice.</li> <li>• Select the new Marketing Director based only on the above.</li> </ul> |

**Fig. 1**

Using Fig. 1, advise the directors of TC plc on whether or not the proposed selection procedure is both **legal** and likely to be **effective** in selecting a new Marketing Director. Give reasons for your advice.

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..... [6]

**END OF QUESTION PAPER**

**ADDITIONAL ANSWER SPACE**

If additional space is required, you should use the following lined page(s). The question number(s) must be clearly shown in the margins.

A large area of lined paper for writing. It consists of a vertical solid line on the left side, and horizontal dotted lines extending across the page, creating a grid for writing. The lines are evenly spaced and cover most of the page area.

A large area of the page is reserved for writing, featuring a vertical margin line on the left and horizontal dotted lines for text alignment.



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