

Monday 13 January 2025 – Morning

Level 3 Cambridge Technical in Business

05834/05835/05836/05837/05878 Unit 3: Business decisions

Time allowed: 1 hour 30 minutes

C423/2501



You must have:

- a clean copy of the Pre-release (inside this document)

You can use:

- a calculator



Please write clearly in black ink. **Do not write in the barcodes.**

Centre number

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Candidate number

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First name(s) _____

Last name _____

Date of birth

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INSTRUCTIONS

- Use black ink.
- Write your answer to each question in the space provided. You can use extra paper if you need to, but you must clearly show your candidate number, the centre number and the question numbers.
- Answer **all** the questions.
- Use the Insert to answer all the questions.

INFORMATION

- The total mark for this paper is **60**.
- The marks for each question are shown in brackets [].
- This document has **12** pages.

ADVICE

- Read each question carefully before you start your answer.

1

(a) State **one** way an organisation's objectives could influence its decision-making.

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..... [1]

(b) Other than organisational objectives, state **one** internal criterion that could influence an organisation's decision-making.

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..... [1]

2

(a) Explain how the **relevance** of the information in **Appendix 1** affects its validity for decision-making when considering **Option 1: Community cinema**.

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..... [2]

(b) Explain how the **degree of detail** of the information in **Appendix 1** affects its validity for decision-making when considering **Option 1: Community cinema**.

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..... [2]

(c) If **Option 1: Community cinema** were chosen, CTC would need to purchase new audio-visual equipment.

Describe how CTC should decide which audio-visual equipment to purchase.

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..... [3]

3 Amir has estimated the following information for **Option 1: Community cinema**.

- Fixed costs of cinema (per event): £100
- Variable costs of cinema (per person per event): £4
- Ticket price (per person per event): £6

(a)

(i) Calculate the break-even level of output.

Break-even

[3]

(ii) Calculate the margin of safety if 80 people purchase a ticket for an event.

Margin of safety

[1]

(b) Explain why it is important for CTC to have a large margin of safety.

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[2]

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