



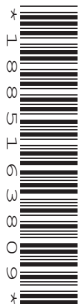
Oxford Cambridge and RSA

Tuesday 20 May 2025 – Morning

A Level Business

H431/02 The UK business environment

Time allowed: 2 hours



You must have:

- the Resource Booklet

You can use:

- a calculator



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

Centre number

--	--	--	--	--

Candidate number

--	--	--	--

First name(s)

Last name

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.
- Use the Resource Booklet to answer the questions in Section B.
- Answer **all** the questions.

INFORMATION

- The total mark for this paper is **80**.
- The marks for each question are shown in brackets [].
- Quality of extended response will be assessed in questions marked with an asterisk (*).
- This document has **16** pages.

ADVICE

- Read each question carefully before you start your answer.

2
Section A

- 1** Define the term 'business plan'.

.....

.....

.....

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

- 2** State **two** types of communication media a business may use.

1

2 **[2]**

- 3** A UK-based business exports its products to Greece, which uses the Euro (€) as its currency. The product's selling price, including transportation, is £165.

If the exchange rate is £1 = €1.22, calculate the price paid in Euros by a Greek importer. Show your working.

.....

.....

.....

.....

Answer = € **[2]**

- 4 Explain **two** reasons why the dismissal of an employee would be considered unfair.

1

.....

.....

.....

2

.....

.....

.....

[4]

- 5 Explain **one** reason why a business may choose to operate in each of the following markets:

Physical market

.....

.....

.....

Non-physical market

.....

.....

.....

[4]

- 6 State **two** characteristics of a public limited company.

1

2

[2]

- 7 A business buys a new vehicle for £35 000. The Finance Director is considering which method of depreciation to use.

Option 1: Straight line method

The vehicle will be depreciated over a five-year period with no residual value.

Option 2: Reducing balance method

The vehicle will be depreciated at a rate of 25% per year.

Using both these options, calculate the difference between the recorded value for each option at the end of Year one. Show your working.

.....

.....

.....

.....

.....

.....

.....

.....

Answer = £ [4]

8 Analyse **one** likely benefit of innovation for Coffee#1.

..... [4]

- 9** Evaluate whether ratio analysis is useful in assessing the performance of Coffee#1. **[9]**

This image shows a full page of a handwriting practice worksheet. It consists of ten sets of horizontal dashed lines spaced evenly down the page, providing a guide for letter height and placement. The background is plain white, and there are no other markings or text present.

[illegible]

- 10** SJW Ltd is a supplier to many coffee stores, including Coffee#1. SJW Ltd has been asked by its bank for a cash-flow forecast for the next 6 months. The Finance Director of SJW Ltd is producing this cash-flow forecast, but it is not yet complete.

	June £	July £	August £	September £	October £	November £
Revenue	48 000	48 000	56 000	50 000	58 000	
Raw materials	24 000	28 000	25 000	29 000	39 000	25 000
Labour costs	15 000	15 000	20 000	20 000	21 000	18 000
Utilities	5 000	5 000	6 000	7 000	7 000	
Interest	2 000	2 000	2 000	2 000	2 000	2 000
Net cash flow	2 000	(2 000)	3 000	(8 000)	(11 000)	
Opening balance	3 000	5 000	3 000	6 000	(2 000)	
Closing balance	5 000	3 000	6 000	(2 000)	(13 000)	

- (a) The Finance Director has just received the final data needed to complete the cash-flow forecast. Revenue in November is forecast to be £78 000, and utilities in November are forecast to be £9 000.

Calculate the closing balance for November. Show your working.

.....

.....

.....

.....

.....

.....

Answer = £ [3]

- (b) State the minimum level of bank overdraft that SJW Ltd will need to arrange for this 6-month period.

.....

.....

Answer = £ [1]

11* Recommend how Coffee#1 could use flexible working practices. Justify your recommendation.

[15]

[illegible]

[illegible]

..... [4]

14* Coffee#1 has announced it will accelerate its growth plans.

Evaluate the importance of different market research techniques to ensure Coffee#1's expansion is a success. **[15]**

This image shows a full page of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page, typical of notebook or legal stationery. There are no margins, text, or other markings on the page.

© OCR 2025

DO NOT WRITE ON THIS PAGE



Copyright Information

OCR is committed to seeking permission to reproduce all third-party content that it uses in its assessment materials. OCR has attempted to identify and contact all copyright holders whose work is used in this paper. To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced in the OCR Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download from our public website (www.ocr.org.uk) after the live examination series.

If OCR has unwittingly failed to correctly acknowledge or clear any third-party content in this assessment material, OCR will be happy to correct its mistake at the earliest possible opportunity.

For queries or further information please contact The OCR Copyright Team, The Triangle Building, Shaftesbury Road, Cambridge CB2 8EA.

OCR is part of Cambridge University Press & Assessment, which is itself a department of the University of Cambridge.