OCR
Oxford Cambridge and RSA

Thursday 22 May 2025 – Afternoon

AS Level Business

H031/02 The wider business environment

Time allowed: 1 hour 30 minutes

You must have:
- the Resource Booklet

You can use:
- a calculator

1877843604

H03102

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, 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 **60**.
- 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 **12** pages.

ADVICE
- Read each question carefully before you start your answer.

Section A

1 Explain **two** reasons why the objectives of a business may need to change.

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[4]

2 A business is considering investing in new machinery. The estimated net cash-flow for the investment is shown in the table below.

Year	Net cash-flow £
0	(47 000)
1	14 000
2	20 000
3	26 000

Calculate the payback period for this investment.

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

3 Explain what Vroom's expectancy theory says about how individuals decide to behave.

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.... **[2]**

4 When the average price of margarine increased by 10%, the demand for butter increased by 3%.

Calculate the cross elasticity of demand between the price of margarine and the quantity of butter demanded.

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

5 Explain **two** reasons why the UK government may impose barriers to international trade.

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2 ....

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[4]

6 The table below shows operations data for a manufacturing business for one month.

Maximum capacity	4000 units
Capacity utilisation	75%
Wastage rate	10%

Calculate the number of units wasted during the month.

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

7 Explain what is meant by the term ‘division of labour’.

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.... **[2]**

8 Explain **one** difference between physical distribution and online distribution.

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.... **[2]**

Section B

Use the **Resource Booklet** to answer the questions.

9 Explain what is meant by 'market research' (line 47).

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.... [2]

10* Evaluate **two** advantages for Pickfords of recruiting ex-armed forces personnel. [12]

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11 Use **Extract D**.

(a) Calculate Pickfords' return on capital employed (ROCE) for the year ended 30 September 2022.

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

(b) Explain how **two** of Pickfords' stakeholders might use the financial documents in Extract D.

Stakeholder 1 ....

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Stakeholder 2 ....

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[4]

12* Evaluate the most important factors that affect the demand for Pickfords' services. **[20]**

END OF QUESTION PAPER

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