



Wednesday 21 May 2014 – Morning

LEVEL 1/2 CAMBRIDGE NATIONALS IN BUSINESS AND ENTERPRISE

R061/01 Introduction to Business

Candidates answer on the Question Paper.

OCR supplied materials:

- Clean copy of the Pre-Release Research Brief (R061/01 – inserted)

Other materials required:

None

Duration: 1 hour



Candidate forename		Candidate surname	
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Centre number						Candidate number				
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INSTRUCTIONS TO CANDIDATES

- The Insert can be found inside this document.
- 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. Additional paper may be used if necessary but you must clearly show your candidate number, centre number and question number(s).
- 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**.
- This document consists of **12** pages. 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** questions.

SECTION A

The Board of Directors of Ykale plc want each garden centre to do more for its local community.

1 (a) Draw **one** line to correctly complete the following sentence about a public limited company. [1]

A public limited company

is controlled by the government.

trades its shares on the stock exchange.

(b) Explain **one** benefit and **one** drawback to the shareholders of Ykale plc of it being a public limited company.

Benefit

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Drawback

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[4]

3
SECTION B

Two of Ykale plc's objectives are to increase profit and to use some of this profit to benefit society.

2 (a) State and explain **one** other objective Ykale plc might have.

Objective

Explanation

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[3]

(b) Using your research of businesses in your area, discuss why it is important for Ykale plc to change its objectives over time.

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..... **[7]**

SECTION C

Ykale plc has decided to grow organically produced plants.

- 3** Explain **one** way in which growing organically produced plants might have an effect on the **profit** of Ykale plc.

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..... **[3]**

- 4 (a)** Ykale plc intends to set the prices for its organically produced plants at a higher level than non-organically produced plants sold in its garden centres.

Identify the pricing method which Ykale plc intends to use. Place a tick (✓) in the correct box in the table below.

Pricing method	Tick (✓)
Penetration	
Psychological	
Skimming	

[1]

- (b)** Janice is the manager of one of the garden centres owned by Ykale plc.

- (i)** Janice wants to conduct some research into the local market for organically produced plants.

Identify **one** segment of the market which is likely to use the garden centre.

..... **[1]**

(ii) Explain **one** way in which market segmentation could help Janice to conduct her market research.

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..... [3]

(c) Complete the **two** sentences about market research by selecting the correct words from the list below.

- Alphabetical
- Field work
- First hand
- Government statistics
- Second hand

Primary research is the gathering of data.

This can be conducted through

Secondary research is the gathering of

data such as [4]

(d) Using your research of businesses in your area, recommend and justify a marketing mix which Ykale plc could use to sell its organically produced plants. [10]

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- 5 (a) Janice wants to ensure that she retains the staff employed at the garden centre which she manages.

Explain **one** reason why Janice wants to retain staff.

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..... [3]

- (b) Explain **one** reason why Janice should provide good working conditions for the staff at the garden centre which she manages.

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..... [3]

9
SECTION D

6 Choosing from the list below, tick (✓) **two** boxes which show examples of ethical behaviour.

Examples	Tick (✓)
Increasing prices to make more profit	
Making sure customers are safe	
Paying staff the lowest wage possible	
Seeking to employ staff with a disability	

[2]

7 The following are three external factors which affect businesses:

- technological
- environmental
- legal.

Using your research of businesses in your area, evaluate which of these factors will have the greatest impact on a garden centre such as Ykale plc. [10]

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