



Oxford Cambridge and RSA

Wednesday 25 May 2016 – 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. If additional space is required, you should use the lined page 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**.
- 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

Hik U Ltd is a private limited company.

1 (a) By selecting the correct words from the list below, complete the sentences to describe **two** characteristics of a private limited company.

- Partners
- Public
- Shareholders

A private limited company has two or more

A private limited company cannot sell its shares to the [2]

(b) Explain the meaning of the word **limited** in the term 'private limited company'.

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..... [3]

(c) The Directors of Hik U Ltd are considering changing the business into a public limited company.

Explain **one** way in which Hik U might benefit from becoming a public limited company.

Benefit

Explanation

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..... [2]

SECTION C

3 The Directors of Hik U Ltd are concerned about the cash flow of the business because of the seasonal nature of the business.

(a) Explain **one** way in which the seasonal demand for luggage might affect Hik U Ltd's cash flow.

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..... [2]

(b) The Directors are also concerned about the selling price and the costs of the luggage.

State whether each of the following statements is **TRUE** or **FALSE**.

Price is the amount paid by the customer for the luggage

Cost is the amount paid by the business to make the luggage

[2]

4 (a) Explain **one** method of market research Hik U Ltd might have used to discover whether or not selling the luggage in mainland Europe would be successful.

Method

Explanation

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[3]

At the moment Hik U Ltd spends little money on advertising.

- (b) State and explain **one** factor which might affect the method Hik U Ltd could use to advertise its luggage in mainland Europe.

Factor

Explanation

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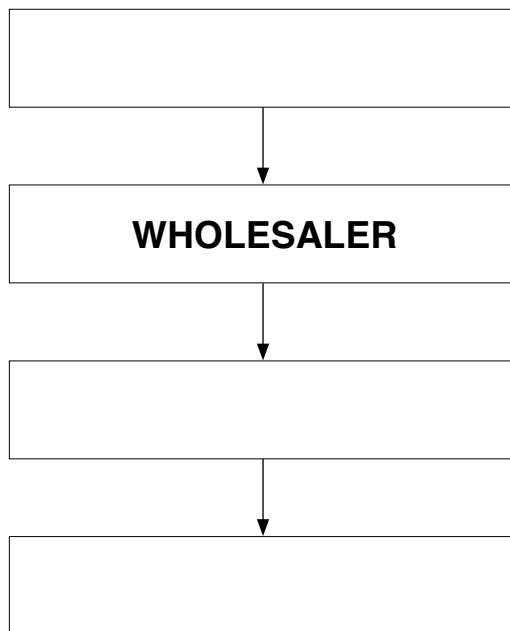
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[2]

- (c) The diagram below shows how Hik U Ltd uses local wholesalers to distribute its products in the United Kingdom (UK).

Use **three** of the words below to complete the channel of distribution.

Consumer	Government	Manufacturer	Retailer
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[3]

- 5 (a) Choosing from the list below, tick **two** boxes which describe the duties of a quality control supervisor.

Duties	Tick (✓) two boxes
Buying good quality materials	
Checking the production process is completed correctly	
Designing luggage	
Ensuring the standard of the final product	

[2]

SECTION D

7 Choosing from the list below, tick **three** boxes which are examples of legislation that might affect Hik U Ltd.

Description	Tick (✓) three boxes
Data protection	
Delaying payments to suppliers	
Disability discrimination	
Health and safety	
High interest rates	
Inflation	

[3]

8 The Directors of Hik U Ltd know that the business can be affected by external factors. These include:

- ethical factors
- technological factors.

Using your research of businesses, evaluate which of these factors will have the greatest impact on a business such as Hik U Ltd. [10]

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END OF QUESTION PAPER

ADDITIONAL PAGE

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

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