



Oxford Cambridge and RSA

**Wednesday 24 May 2017 – 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 pages 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** the questions.

**SECTION A**

HVS Ltd is a private limited company. It is owned by Steve and Hannah who have built the business up over a period of 5 years.

1 (a) Answer the following TRUE or FALSE:

(i) A private limited company has limited liability. .... [1]

(ii) A private limited company can offer its shares for sale on the stock exchange.  
..... [1]

(b) Explain **one** disadvantage to a business of being a private limited company.

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

(c) HVS Ltd may have to import some spare parts for the new electric cars from abroad.

State and explain **one** disadvantage to HVS Ltd of being a small company when importing spare parts from abroad.

Disadvantage .....

Explanation .....

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

**SECTION B**

- 2 (a) HVS Ltd wants to expand the business by selling and maintaining electric cars. In this way it believes that the business will capture more of the local market share.

Explain the meaning of the term 'market share'.

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

- (b) The current objective of HVS Ltd is to continue to increase its profit each year.

State and explain **one** reason why it is important for HVS Ltd to make a profit.

Reason .....

Explanation .....

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

- (c) Using your research of businesses in your area, analyse ways in which change has affected the objectives of a local business.

Name of business.....  
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..... [6]

5  
**SECTION C**

Selling and maintaining electric cars will require a number of changes to the way HVS Ltd operates. Steve and Hannah know it is important that they do not lose their existing customers while these changes are taking place.

**3 (a)** Hannah is worried that these changes will affect the profit of HVS Ltd.

Complete the sentence below to correctly describe profit, by selecting the **two** correct words from the following list.

break even	cash flow	costs	finance	revenue
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..... minus ..... equals profit. **[2]**

**(b)** Steve has calculated that the new equipment and machinery will cost HVS Ltd £30 000.

State **two** ways in which this money could be raised, giving a reason for each of your choices.

Way.....

Reason .....

.....

.....

Way.....

Reason .....

.....

..... **[4]**

**4 (a)** Identify **two** pricing methods HVS Ltd could use for its new service of selling and maintaining electric cars.

1 .....

2 .....

**[2]**



- 5 Steve believes HVS Ltd may have some difficulties with logistics in operating the business.

Explain what is meant by 'logistics'.

.....

.....

.....

..... [2]

- 6 Hannah will have to draw up a job description for the new mechanic and office assistant.

(a) Tick (✓) **three** boxes to identify which of the following would be included in a job description.

	Tick (✓) <b>three</b> boxes
Duties	
Experience	
Job title	
Location	
Qualifications	
Start date	

[3]





**SECTION D**

**7** The economy affects the activities of all businesses.

State and explain **one** economic factor that might affect HVS Ltd.

Economic factor .....

Explanation .....

.....

.....

.....

**[3]**

**8** HVS Ltd knows that businesses can be affected by external factors. These include:

- environmental factors
- legal factors.

Using your research of businesses in your area, evaluate which of these **two** factors will have the greatest impact on a car repair business such as HVS Ltd. **[10]**

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**END OF QUESTION PAPER**

**ADDITIONAL ANSWER SPACE**

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

A large rectangular area with a solid vertical line on the left side and horizontal dotted lines across the rest of the page, providing space for writing answers.



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