

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
LEVEL 1/2
R061/01
CAMBRIDGE NATIONALS IN BUSINESS
AND ENTERPRISE

Introduction to Business

TUESDAY 21 MAY 2013: Morning
DURATION: 1 hour
plus your additional time allowance

MODIFIED ENLARGED

Candidate forename		Candidate surname	
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Centre number						Candidate number				
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Candidates answer on the Question Paper.

OCR SUPPLIED MATERIALS:

Clean copy of the Pre-Release Research Brief (inserted)

OTHER MATERIALS REQUIRED:

None

READ INSTRUCTIONS OVERLEAF

INSTRUCTIONS TO CANDIDATES

- The Insert will be found in the centre of this document.
- Write your name, centre number and candidate number in the boxes on the first page. 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).

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.
- Any blank pages are indicated.

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**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

Monarch Independent Cinema Ltd (MIC Ltd) is a private limited company.

- 1 (a) Identify TWO characteristics of a private limited company. Place a tick (✓) in the correct boxes in the table below.**

CHARACTERISTICS	TICK (✓)
The business can trade shares on the stock exchange	
A maximum of two shareholders	
Limited liability	
The business has its own legal identity	

[2]

- (b) MIC Ltd is considering ways to raise finance. One way in which it could do this is to change its form of ownership from that of a private limited company.**

Suggest ONE other suitable form of ownership which would help the business raise finance. Explain why this would be a suitable choice.

Suitable form of ownership

Explanation

[3]

SECTION B

The Board of Directors of MIC Ltd has never set business objectives.

- 2 (a) Using your research of businesses in your area, recommend and justify ONE suitable business objective for MIC Ltd. [7]**

Recommendation _____

Justification _____

(b) State TWO other business objectives which MIC Ltd could have.

1 _____

2 _____

[2]

SECTION C

The Board of Directors of MIC Ltd has decided that an additional cinema screen might attract more customers and help the business to break even. The estimated cost of the additional screen would be £500 000. The business would need to raise finance in order to fund the building of the additional screen.

3 (a) Explain what is meant by the term 'break-even'.

[2]

(b) Identify TWO suitable methods by which MIC Ltd could raise the finance required for the building of the additional screen. Explain why each method would be suitable. [6]

Method 1 _____

Explanation _____

Method 2 _____

Explanation _____

- 4 Identify ONE service and ONE product offered to customers by MIC Ltd. Place a tick (✓) in the correct boxes in the table below.**

	SERVICE (✓)	PRODUCT (✓)
Bags of popcorn		
Minimum wage		
Showing a film		
Staff canteen		

[2]

- 5 (a) MIC Ltd needs to conduct some market research in order to find out how to attract more customers.

Identify TWO suitable methods of PRIMARY market research which MIC Ltd could use in order to find out how to attract more customers. Explain how each method would enable useful information to be collected.

Method 1 _____

Explanation _____

Method 2 _____

Explanation _____

[6]

(b) Using your research of businesses in your area, recommend a marketing mix which a cinema such as MIC Ltd could use in order to attract more customers. Justify your recommendation. [10]

[illegible]

[illegible]

6 (a) (i) The staff at MIC Ltd are paid a wage.

What is meant by the term ‘wage’?

_____ [1]

(ii) The staff at MIC Ltd are sometimes asked to work overtime. Which TWO of the following statements about overtime are correct? Place a tick (✓) in the correct boxes. [2]

STATEMENT	TICK (✓)
Working more than your normal hours	
A payment below the minimum wage	
A fixed monthly payment	
Receiving extra pay for working extra hours	

(iii) Explain ONE advantage to MIC Ltd of asking its staff to work overtime.

[2]

(b) MIC Ltd needs to recruit a new member of staff.

Identify ONE way in which MIC Ltd might advertise this job.

[1]

SECTION D

- 7 Using your research of businesses in your area, identify ONE example of each of the following external factors which might impact on a business such as MIC Ltd.**

Social

Environmental

Ethical

Political

[4]

8 The Board of Directors has identified three other external factors which may impact on the operation of MIC Ltd. These are:

economic

legal

technological.

Using your research of businesses in your area, evaluate the likely impact of each of these external factors on a business such as MIC Ltd. [10]

[illegible]

END OF QUESTION PAPER

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