Tuesday 10 June 2014 – Morning
GCSE APPLIED BUSINESS
A243/01 Working in Business

Candidates answer on the Question Paper.

OCR supplied materials:
None

Other materials required:
• A calculator may be used

Duration: 1 hour 30 minutes

INSTRUCTIONS TO CANDIDATES

• 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 80.
• Your Quality of Written Communication will be assessed in questions marked with an asterisk (*).
• This document consists of 16 pages. Any blank pages are indicated.

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Turn over
Text 1

*SCHAPP* is owned by Billy Schappes and it creates mobile phone applications (apps). Billy’s business specialises in producing apps which help GCSE and A Level students to revise for examinations. Billy employs students, who work from home, to develop the apps. He organises his business into teams of three in a matrix organisational structure according to the subject and the level of examination.

1 Refer to Text 1.

(a) Complete the following sentences about matrix organisational structures by choosing the correct words from the list below. Use each word only **once**.

- completed
- effectively
- manager
- specialist
- task
- team

A matrix organisational structure requires a ........................... to work together for a particular ........................... . They will only work together until the job is ........................... . An advantage of this structure is that the group has a wide range of ........................... skills. A disadvantage is that it takes time for the group to work ........................... together.

(b) Explain why a matrix is the best type of organisational structure for *SCHAPP*.

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...................................................................................................................................................
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................................................................................................................................................... [3]
Text 2

As the students who develop the apps for SCHAPP work from their own homes, Billy Schappes uses ICT as the only form of communication with the employees. The main forms of ICT which he uses are:

- mobile phone text message
- email
- video conferencing/web cam.

2 Refer to Text 2.

From the list in Text 2, choose one form of ICT communication which Billy Schappes could use in each of the following situations. State one advantage and one disadvantage of each form of communication which you have chosen. A different form of ICT communication must be used for each situation.

- Sending the requirements for the content of a business studies app to an employee of SCHAPP.

Form of ICT communication .................................................................

Advantage ............................................................................................
..............................................................................................................
..............................................................................................................

Disadvantage ....................................................................................... 
..............................................................................................................
..............................................................................................................
..............................................................................................................

- Checking the progress of an existing task being created by an employee of SCHAPP.

Form of ICT communication .................................................................

Advantage ............................................................................................
..............................................................................................................
..............................................................................................................

Disadvantage ....................................................................................... 
..............................................................................................................
..............................................................................................................
..............................................................................................................
..............................................................................................................
Text 3

Billy Schappes completes all the financial tasks for SCHAPP. Billy’s financial tasks today are to:

- calculate the pay of an employee. The employee’s details are:
  - Selina Hughes
  - Employee Number 27
  - Project 1 took 12 hours
  - Project 2 took 10 hours
  - Hourly rate £7.00

- create the SCHAPP cash-flow forecast for July to December 2014

- calculate the break-even point for a proposed revision app for GCSE Physical Education.

3 Refer to Text 3.

(a) Using the information in Text 3, complete the unshaded boxes in the payslip of Selina Hughes which is below. The following parts need to be completed:

- employee name and number
- hours worked and hourly rate of pay
- gross pay
- net pay.

<table>
<thead>
<tr>
<th>SCHAPP PAYSLIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax date: 10/06/2014</td>
</tr>
<tr>
<td>Nat Ins No:</td>
</tr>
<tr>
<td>AB123456C</td>
</tr>
</tbody>
</table>

(b) Selina Hughes has had £45.00 deducted from her gross pay. State two examples of deductions which could be made from an employee’s gross pay.

Deduction 1 ...................................................................................................................................................

Deduction 2 ...................................................................................................................................................
(c) Complete the **unshaded** boxes in the following cash-flow forecast for **SCHAPP** for July to December 2014.

<table>
<thead>
<tr>
<th>SCHAPP Cash-Flow Forecast July to December 2014</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>GCSE Revision Apps</td>
<td>100</td>
<td>20</td>
<td>400</td>
<td>500</td>
<td>1000</td>
<td>1100</td>
</tr>
<tr>
<td>AS Revision Apps</td>
<td>50</td>
<td>20</td>
<td>550</td>
<td>950</td>
<td>1150</td>
<td></td>
</tr>
<tr>
<td>A Level Revision Apps</td>
<td>55</td>
<td>10</td>
<td>300</td>
<td>600</td>
<td>1100</td>
<td>1050</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>205</td>
<td>50</td>
<td>1100</td>
<td>1650</td>
<td>3050</td>
<td>3300</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wages</td>
<td>960</td>
<td>1400</td>
<td>700</td>
<td>600</td>
<td>500</td>
<td>400</td>
</tr>
<tr>
<td>Utilities</td>
<td>40</td>
<td>40</td>
<td>50</td>
<td>50</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>Billy's salary</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>2000</td>
</tr>
<tr>
<td>Other costs</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>1600</td>
<td>2040</td>
<td>1350</td>
<td>1250</td>
<td>1160</td>
<td></td>
</tr>
<tr>
<td>Income – Expenditure</td>
<td>−1395</td>
<td>−250</td>
<td>400</td>
<td>1890</td>
<td>740</td>
<td></td>
</tr>
<tr>
<td>Opening Balance</td>
<td>2000</td>
<td>605</td>
<td>−1385</td>
<td>−1235</td>
<td>655</td>
<td></td>
</tr>
<tr>
<td>Closing Balance</td>
<td>605</td>
<td>−1385</td>
<td>−1235</td>
<td>655</td>
<td>1395</td>
<td></td>
</tr>
</tbody>
</table>

(d) Billy Schappes needs to decide whether or not to create a new app. Explain how a completed cash-flow forecast could help the decision-making process at **SCHAPP**.
Billy Schappes is considering whether to develop a new app for GCSE Physical Education (PE). It is intended that this new app will sell at £3.00. He is creating a break-even chart for this proposed new app.

Complete the break-even chart by labelling the:

- fixed costs line
- total costs line
- sales revenue line
- break-even point.
(f) Using the information and the formula given below, calculate the break-even point for the GCSE PE app.

- The fixed costs are given on the break-even chart in part e.
- The variable costs per app are now £1.25.
- The selling price of the GCSE PE app is now £2.50 per app.

<table>
<thead>
<tr>
<th>Break-Even Point for the GCSE PE App</th>
</tr>
</thead>
<tbody>
<tr>
<td>Break-even point = \frac{\text{Fixed costs}}{\text{(Price of PE App – Variable cost per app sold)}}</td>
</tr>
</tbody>
</table>

You must show your workings:

Break-even point = .......................................................... PE apps sold

[3]
(g)* Evaluate the usefulness of break-even analysis to Billy when deciding whether or not to develop the new GCSE PE app.
Text 4

Billy needs to know if selling apps to help examination revision at university or college would be good for SCHAPP. His first task is to complete some primary (field) market research. Billy sent a questionnaire to SCHAPP’s existing A Level customers to obtain information. The following are some of the results of this primary market research.

1) Do you think that the A level apps you bought from SCHAPP have helped you to achieve higher grades?
   Yes  75%
   No   25%

2) On which device would you use the apps?
   - phone  80%
   - MP3 player 15%
   - computer  5%

3) Would you use apps when you are revising for examinations at university or college?
   Yes  60%
   No   40%

4) Which of the following subject apps do you think you would be most likely to use at university or college?
   Mathematics  21%
   English Literature 20%
   History     6%
   Geography   5%
   Engineering  3%
   Other subjects 45%

4 Refer to Text 4.

(a) What is the purpose of market research?

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

(b) Billy Schappes has used an email questionnaire for his primary (field) market research.

Identify three other types of primary market research.

1 ...........................................................................................................................

2 ...........................................................................................................................

3 ........................................................................................................................... [3]
(c) Billy Schappes is also thinking about using secondary (desk) market research to help make his decision about producing examination revision apps for university or college students.

Identify three different types of secondary market research.

1 ................................................................................................................................................

2 ................................................................................................................................................

3 ................................................................................................................................................

(d)* Do you think that SCHAPP should expand its business to include university and college apps? Use the information in Text 4 and any other information to justify your recommendation.  [8]
(e) Explain why the Internet would be the best method of promoting the university or college examination revision apps.
Text 5

*SCHAPP* has become much busier and Billy now realises that he cannot effectively manage all of the app developers on his own. He, therefore, wants to appoint an App Development Manager. The new manager, as with the developers, will work from their own home.

5 Refer to Text 5.

(a) Explain two skills which the new App Development Manager would require.

Skill 1 ........................................................................................................................................
...................................................................................................................................................
...................................................................................................................................................
...................................................................................................................................................

Skill 2 ........................................................................................................................................
...................................................................................................................................................
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...................................................................................................................................................

(b) Explain two personal qualities which the new App Development Manager would require.

Personal quality 1 .....................................................................................................................
...................................................................................................................................................
...................................................................................................................................................
...................................................................................................................................................

Personal quality 2 .....................................................................................................................
...................................................................................................................................................
...................................................................................................................................................
...................................................................................................................................................

[4]
Text 6

Billy Schappes thinks that, in addition to selling apps, selling examination practice questions in a booklet would be a good idea. He would use another business to print the booklets which would be for each of the subjects and levels available as apps.

6* Refer to Text 6.

Recommend which method of production would be the most appropriate for printing the examination practice question booklets. Give reasons for your recommendation, explaining why you did not recommend other methods of production. [8]
END OF QUESTION PAPER