

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
GCSE

A292/01

BUSINESS STUDIES

Business and People

WEDNESDAY 20 MAY 2015: 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:

None

OTHER MATERIALS REQUIRED:

Calculators may be used

A CALCULATOR MAY BE USED FOR THIS PAPER

READ INSTRUCTIONS OVERLEAF

INSTRUCTIONS TO CANDIDATES

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.

Your quality of written communication will be assessed in questions marked with an asterisk (*).

Any blank pages are indicated.

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Answer ALL questions.

1 Transport plc is a van hire company which has offices throughout the UK and Spain. In 2013 it achieved £50 million profit from its van rentals.

(a) (i) State and explain ONE advantage and ONE disadvantage to Transport plc of operating the business as a public limited company.

Advantage _____

Disadvantage _____

[4]

(ii) Two of Transport plc's objectives are PROFIT and GROWTH. Explain how profit and growth are inter-related in a business.

[2]

- (iii) Transport plc has to pay corporation tax. From the list below, tick (✓) ONE box which correctly identifies the meaning of CORPORATION TAX.

STATEMENT	Tick (✓)
A tax on buildings	
A tax on profits	
A tax on spending	

[1]

- (b) The following are stakeholders in Transport plc.

government

customers

workers

State the interest which EACH of these stakeholders has in Transport plc.

Government _____

Customers _____

Workers _____

[3]

(c) Since it started in 1995, Transport plc has grown in size significantly. As a result its internal organisation has changed over time. One further change now being considered is whether to introduce a wider span of control for its managers and supervisors. At present Transport plc uses a narrow span of control as shown in Fig. 1a opposite.

(i) Using the information in Fig. 1a, what is the CURRENT span of control of Manager 1?

_____ [1]

FIG. 1a – Narrow span of control currently used by Transport plc

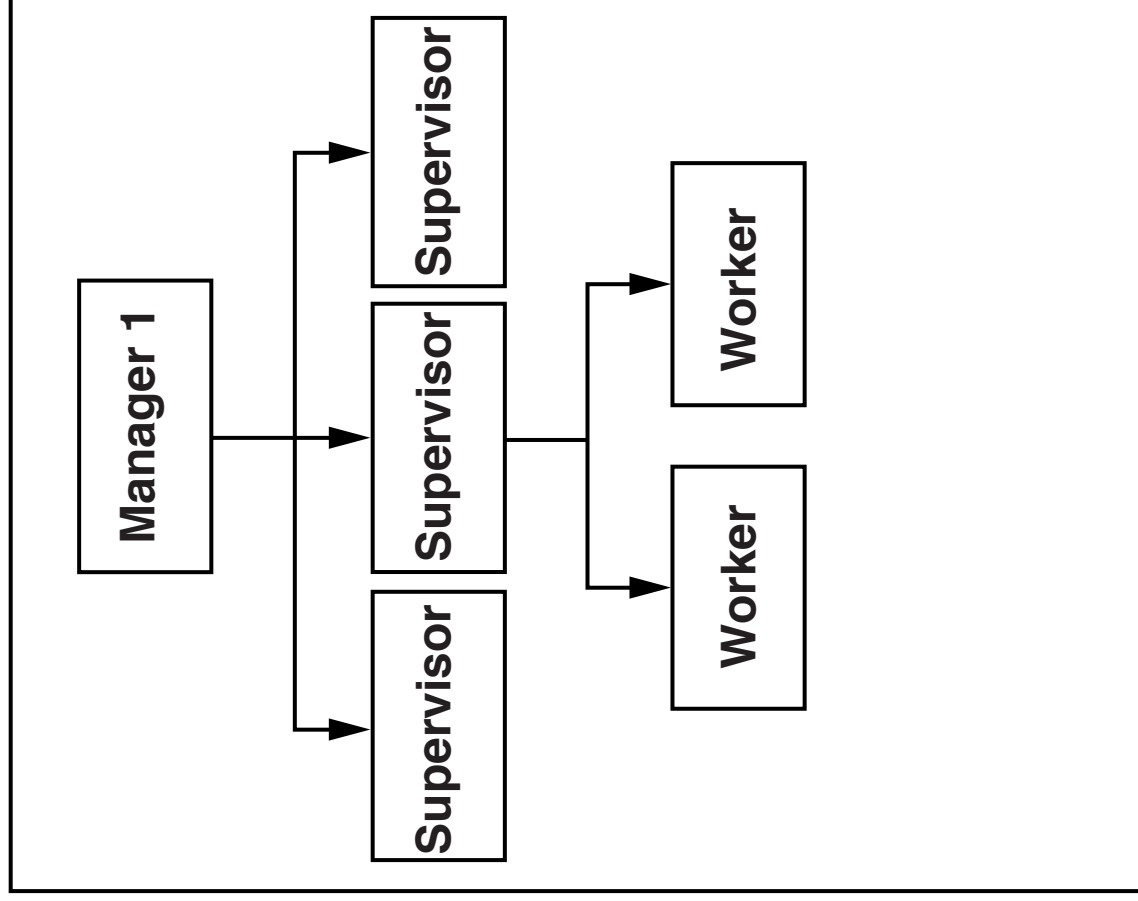
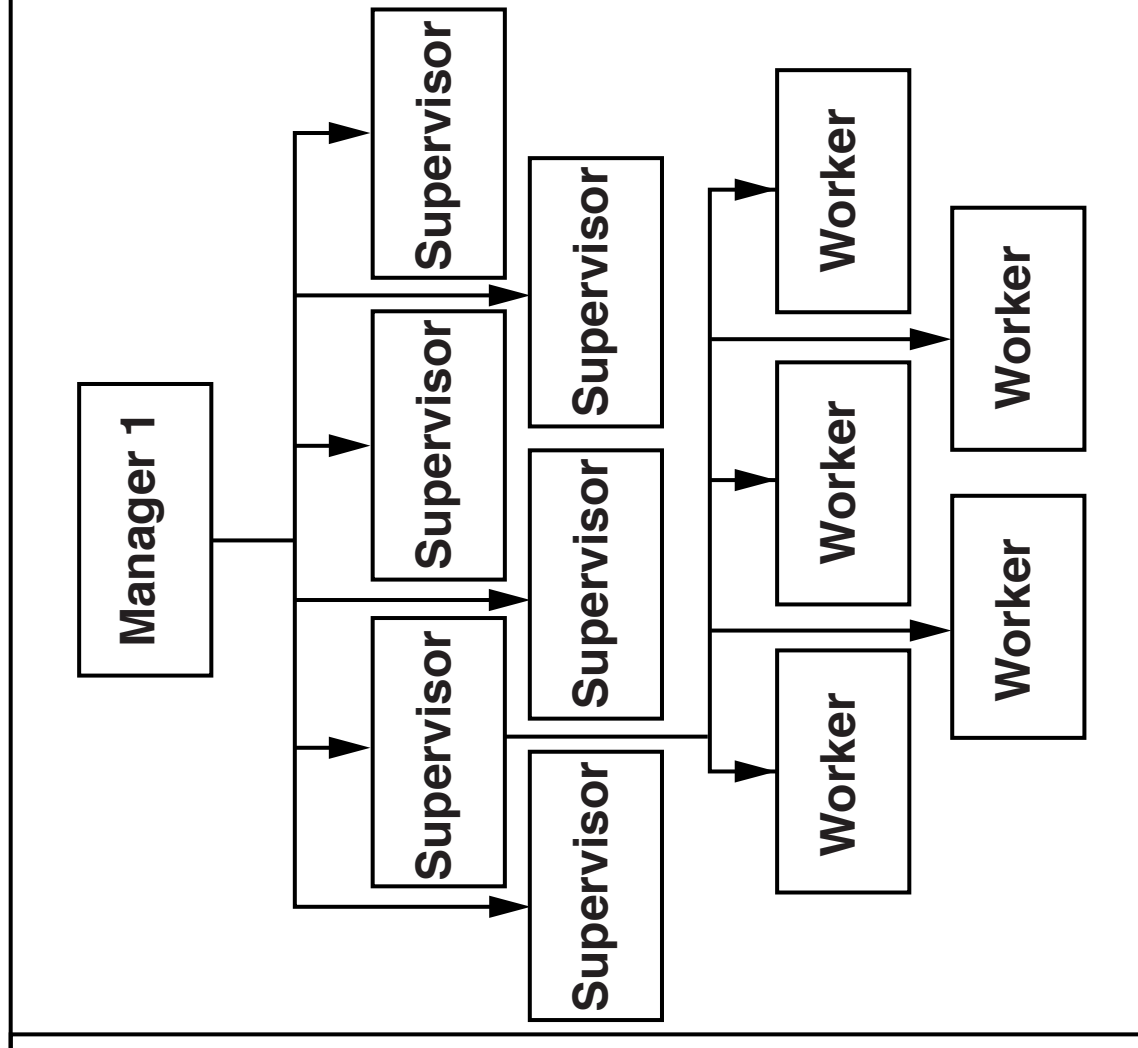


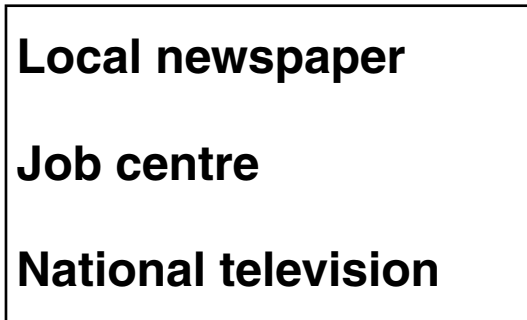
FIG. 1b – Wide span of control being considered by Transport plc



[illegible]

- (d) Transport plc needs to recruit two extra sales staff from THE LOCAL AREA. It intends to recruit the extra sales staff using the three advertising methods shown in Fig. 2.**

FIG. 2



- (i) Using Fig. 2, explain whether or not these advertising methods are suitable when recruiting the two extra sales staff from THE LOCAL AREA. [5]**

- (ii) Transport plc always uses group activities as part of the selection procedure for its sales employees.**

Explain ONE advantage to Transport plc of using GROUP ACTIVITIES in the selection procedure for its sales employees.

[2]

(e) Transport plc uses many different types of communication with its employees.

(i) Identify TWO methods Transport plc may use to communicate with its sales employees when they are working away from the office.

Method 1 _____

Method 2 _____

[2]

(ii) Explain ONE barrier to communication which may exist between Transport plc and its employees.

_____ **[2]**

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2 Di-Tech Ltd makes and sells computers directly to customers through the Internet.

(a) (i) Di-Tech Ltd has a LEGAL IDENTITY which is separate from its owners.

Explain how this may be an advantage to the owners of Di-Tech Ltd.

[2]

(ii) One of Di-Tech Ltd's objectives is to improve the motivation of its employees.

State and explain ONE monetary method and ONE non-monetary method which Di-Tech Ltd may use to motivate its employees.

Monetary method _____

Explanation _____

Non-monetary method _____

Explanation _____

[4]

(b) Businesses may be classified as being in the PRIMARY, SECONDARY or TERTIARY sectors.

(i) Choose ONE sector to which Di-Tech Ltd belongs. Give a reason for your choice.

Sector _____

Reason _____

_____ **[2]**

- (ii) Fig. 3 opposite shows the change in the level of UK employment in the primary, secondary and tertiary sectors between 1990 and 2013.

Using the data in Fig. 3, identify the changes in employment in the primary and tertiary sectors between 1990 and 2013, and explain ONE possible reason for each change.

Primary sector change _____

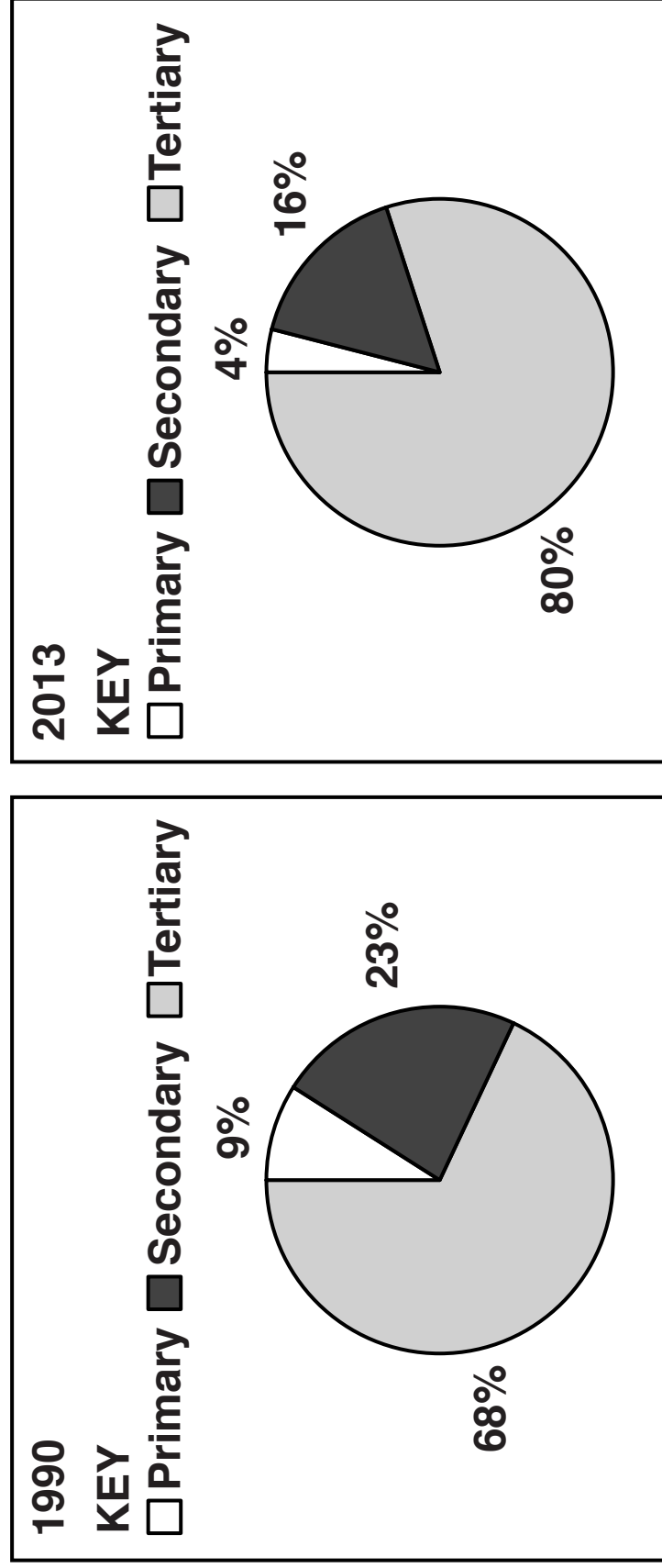
Reason for the change _____

Tertiary sector change _____

Reason for the change _____

[6]

FIG. 3



- (c) The trade union to which Di-Tech Ltd employees belong has decided to take strike action.

**Explain why strike action may be a
DISADVANTAGE to both DI-TECH LTD and its
EMPLOYEES.**

Di-Tech Ltd _____

Employees _____

[4]

(d) There are many legal requirements imposed on businesses by legislation.

Explain ONE legal requirement imposed on businesses with respect to employees.

[2]

- (e)* The Managing Director of Di-Tech Ltd is deciding whether or not to relocate Di-Tech Ltd's factory from the UK to India. Fig. 4 shows some of the factors he would have to consider.

FIG. 4

UK	India
High cost of premises	Low cost of premises
High labour quality	Low labour quality
High labour cost	Low labour cost
Well developed infrastructure	Less well developed infrastructure

Using Fig. 4 and any other relevant factors, recommend which of the two locations, the UK or India, the Managing Director should choose. Give reasons for your recommendation, explaining why you rejected the other location. [6]

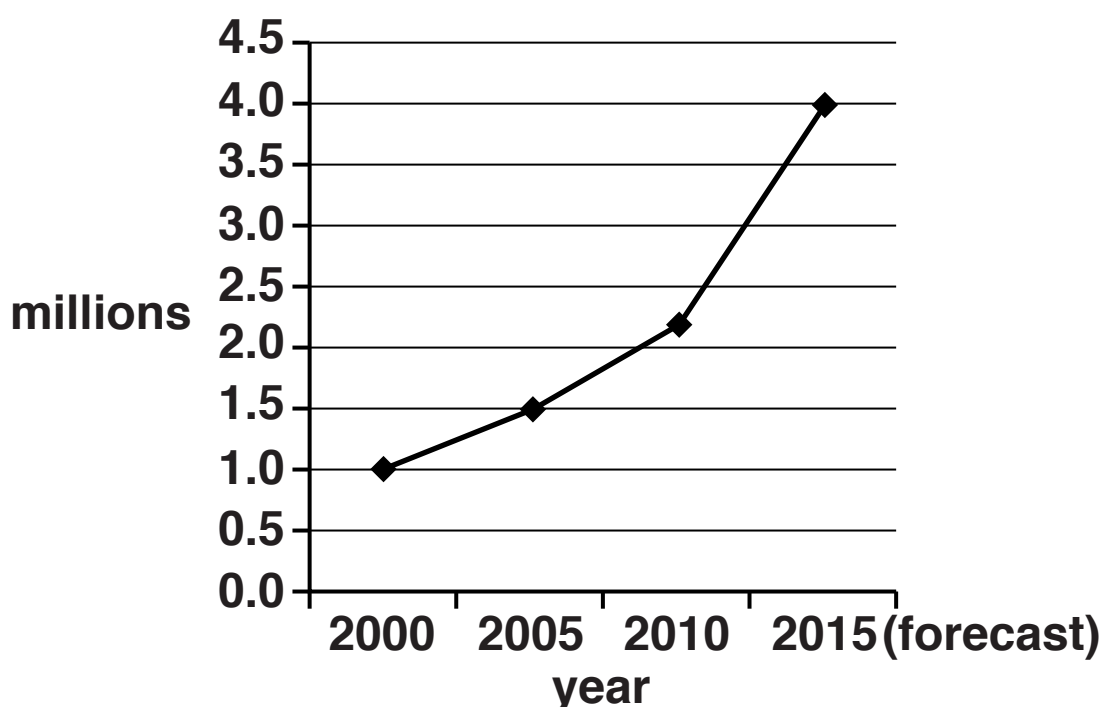
- (f) The Managing Director of Di-Tech Ltd is deciding whether or not to allow some of its head office staff to work from home instead of in the office. He will use the newspaper articles in Fig. 5a and the graph in Fig. 5b in making this decision.

FIG. 5a

ARTICLE 1	ARTICLE 2
British Telecom (BT) now has 15 000 homeworkers out of 92 000 employees. The company argues that each homeworker costs it an average of £6000 less each year than an office based employee. The homeworkers are also 20% more productive and take fewer sick days.	In practice the cost to a business of creating secure computer links to thousands of employees working from home can run into hundreds of thousands of pounds.

FIG. 5b

**Number of people working from home in the UK
2000–2015 (forecast)**



[illegible]

END OF QUESTION PAPER



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