

## 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



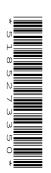
Candidate forename				Candidate surname				
Centre number	er				Candidate nu	ımber		

### **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.

(a)	Ans	wer 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)	Ехр	lain <b>one</b> disadvantage to a business of being a private limited company.	
			[2]
(c)	HVS	S Ltd may have to import some spare parts for the new electric cars from abroad.	
			ng
	Disa	advantage	
	Ехр	lanation	
			 [3]
	(b)	(i) (ii) (b) Exp (c) HVS State spa Disa	(ii) A private limited company can offer its shares for sale on the stock exchange.  (b) Explain one disadvantage to a business of being a private limited company.  (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 importi spare parts from abroad.  Disadvantage  Explanation

## **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 <b>one</b> 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							
	[6]							

## **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.

4

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	
		'					
		m	inus	equals	profit.		[2]
(b)	Ste	ve has calculate	d that the new e	quipment and m	achinery will o	cost HVS Ltd £3	30 000.
	Sta	te <b>two</b> ways in w	which this money	could be raised,	giving a reas	on for each of y	our choices.
	Wa	y					
	Rea	ason					
	Wa	y					
	Rea	ason					
							[4]
(a)		ntify <b>two</b> pricing ctric cars.	methods HVS L	td could use for	its new servic	e of selling and	maintaining
	1						
	2						
							[2]

	6
(b)	Using your research of businesses in your area, evaluate methods of market research that HVS Ltd could use to help it decide whether to offer the new service of selling and maintaining electric cars.
	[10]

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 deceription for the naw machanic and office accistant	
6	Hannah will have to draw up a job description for the new mechanic and office assistant.	

- - (a) Tick  $(\checkmark)$  three boxes to identify which of the following would be included in a job description.

	Tick (✓) three boxes
Duties	
Experience	
Job title	
Location	
Qualifications	
Start date	

[3]

(b)	Using your research of businesses in your area, discuss methods HVS Ltd could use to assess the performance of its employees.
	[6]

## **SECTION D**

Sta	te and explain <b>one</b> economic factor that might affect HVS Ltd.	
Ec	onomic factor	
Ex	planation	
••••		
Нν	S Ltd knows that businesses can be affected by external factors. These include:	
•	environmental factors	
	legal factors.	
	ng your research of businesses in your area, evaluate which of these two factors will ha	
gre	atest impact on a car repair business such as HVS Ltd.	I



**END OF QUESTION PAPER** 

## **ADDITIONAL ANSWER SPACE**

If additional must be cle	I space is required, you should use the following lined page(s). arly shown in the margin(s).	The question number(s)
	<u> </u>	

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