



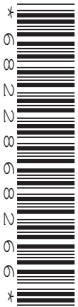
Oxford Cambridge and RSA

A Level Business

H431/02 The UK business environment

Monday 19 June 2017 – Morning

Time allowed: 2 hours



You must have:

- the Resource Booklet

You may use:

- a calculator



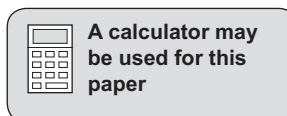
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| First name | | | | | | | | | | |
| Last name | | | | | | | | | | |
| Centre number | | | | | | Candidate number | | | | |

INSTRUCTIONS

- Use black ink.
- Complete the boxes above with your name, centre number and candidate number.
- Answer **all** the questions.
- 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 barcodes.
- The Resource Booklet is for **Section B** only.

INFORMATION

- The total mark for this paper is **80**.
- The marks for each question are shown in brackets [].
- Quality of extended responses will be assessed in questions marked with an asterisk (*).
- This document consists of **16** pages.



Section A

Answer **all** the questions.

- 1 Businesses can be classified as private sector, public sector or third sector.

Explain what is meant by the 'third sector'.

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..... [2]

- 2 State **two** characteristics of a business with a tall (or vertical) organisational structure.

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2
..... [2]

- 3 The Body Shop operates most of its stores as franchises.

Outline **two** advantages to a business, such as The Body Shop, of operating as a franchisor.

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2
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..... [4]

- 4 A business is considering a long-term marketing campaign with an initial cost of £150 000. The campaign will last for four years and is estimated to produce annual cash flows as shown in the table below.

| Year | Net cash flow (£) |
|------|-------------------|
| 0 | (150 000) |
| 1 | 220 000 |
| 2 | 120 000 |
| 3 | 50 000 |
| 4 | 20 000 |

Calculate the average rate of return (ARR) for the marketing campaign.

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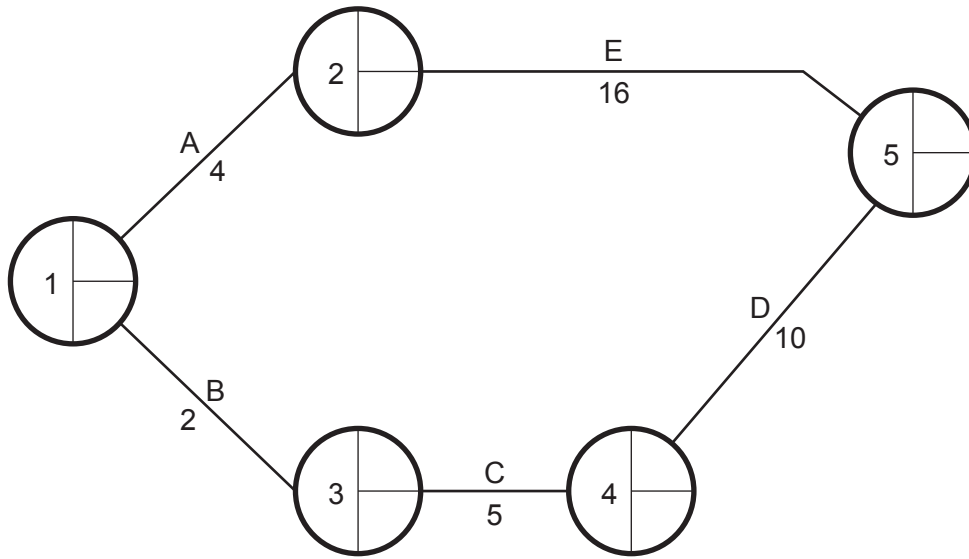
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Answer = [4]

5 A building company uses critical path analysis to plan its production schedule. The diagram below is for one particular project. The duration of each activity is given in days.



(a) Calculate the total duration of the project.

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Answer = [2]

(b) Calculate the total float of activity C.

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Answer = [1]

(c) State **one** activity which is on the critical path.

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Answer = [1]

6 Outline **two** situations where formal communication may be the most appropriate method of communication for a business to use.

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[4]

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- 9 (a) CGP had 265.2 million ordinary shares issued to shareholders in January 2015.

Calculate the earnings per share for the year ending 1 January 2015.

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Answer = [2]

- (b) Calculate the non-current assets turnover for the year ending 1 January 2015.

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Answer = [2]

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12 Analyse **one** benefit to CGP of having a corporate social responsibility policy.

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..... [4]

13* A zero-hours contract is one example of a flexible working practice.

Evaluate the impact of flexible working practices on CGP's stakeholders.

[15]

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END OF QUESTION PAPER



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