



## Level 3 Cambridge Technical in Business

**05834/05835/05836/05837/05878** Unit 3: Business decisions

**Time allowed: 1 hour 30 minutes**

**C423/2401**

- a clean copy of the Pre-release (inside this document)

- a calculator



Centre number

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Candidate number

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First name(s)

Last name

Date of birth

D	D	M	M	Y	Y	Y	Y
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- Use black ink.
- Write your answer to each question in the space provided. You can use extra paper if you need to, but you must clearly show your candidate number, the centre number and the question numbers.
- Answer **all** the questions.
- Use the Insert to answer all the questions.

- The total mark for this paper is **60**.
- The marks for each question are shown in brackets [ ].
- This document has **12** pages.

- Read each question carefully before you start your answer.

1

(a) Ling wishes to avoid unnecessary risk.

Draw a line linking each of the **three** types of risk to its example.

You must only draw three lines.

**TYPE OF RISK:**

Financial

Effect on reputation

Familiarity and competence

**EXAMPLE:**

Option 3 might not earn enough revenue to cover its costs.

JGT has no experience of operating a dine-in restaurant.

There is a chance that the government will reduce business taxes.

Customers may no longer trust the brand if the restaurant is a failure.

Ling is a fully qualified chef.

**[3]**

- (b) Choosing between the three options at JGT involves making use of historic information.

Identify with a tick (✓) the **two** items of historic information in the table below.

You should only tick two boxes.

Information:	Historic information? Please tick (✓)
Customer reviews on social media between 2017 and 2022	
Estimated UK inflation rates for the next decade	
JGT's revenue for the last five years	
Number of employees needed by JGT from 2024 to 2028	

[2]

- (c) The success of **Option 3: Purchase a takeaway business in the Northeast of England** might be affected by the level of unemployment in the Northeast of England.

Explain how changes in the level of unemployment in the Northeast of England might influence the success of **Option 3**.

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[3]

- Kai has provided the following figures.

Net cash flow: Year 0	−£300 000
Net cash flow: Year 1	£60 000
Net cash flow: Year 2	£60 000
Net cash flow: Year 3	£60 000
Net cash flow: Year 4	£60 000
Net cash flow: Year 5	£60 000

Net cash flow: Year 6	£60 000
Net cash flow: Year 7	£60 000

Show your workings

Average rate of return (ARR): \_\_\_\_\_ %

[3]

- [illegible]

**[3]**

3

- (a) JGT's existing takeaways are busiest between 6 pm and 9 pm, Thursday to Saturday.

Explain why this is important for workforce planning if **Option 1: Increase its chain of London takeaway outlets** is chosen.

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..... [3]

- (b) State **three** methods of on-the-job training that could be used if **Option 2: Open a dine-in restaurant in central London** is chosen.

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2 .....

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3 .....

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[3]

4

- (a) Kai would like to use the Boston Matrix to help choose between **Option 1: Increase its chain of London takeaway outlets** and **Option 3: Purchase a takeaway business in the Northeast of England**.

Describe what information Kai would need to obtain so he can use the Boston Matrix when choosing between **Options 1** and **3**.

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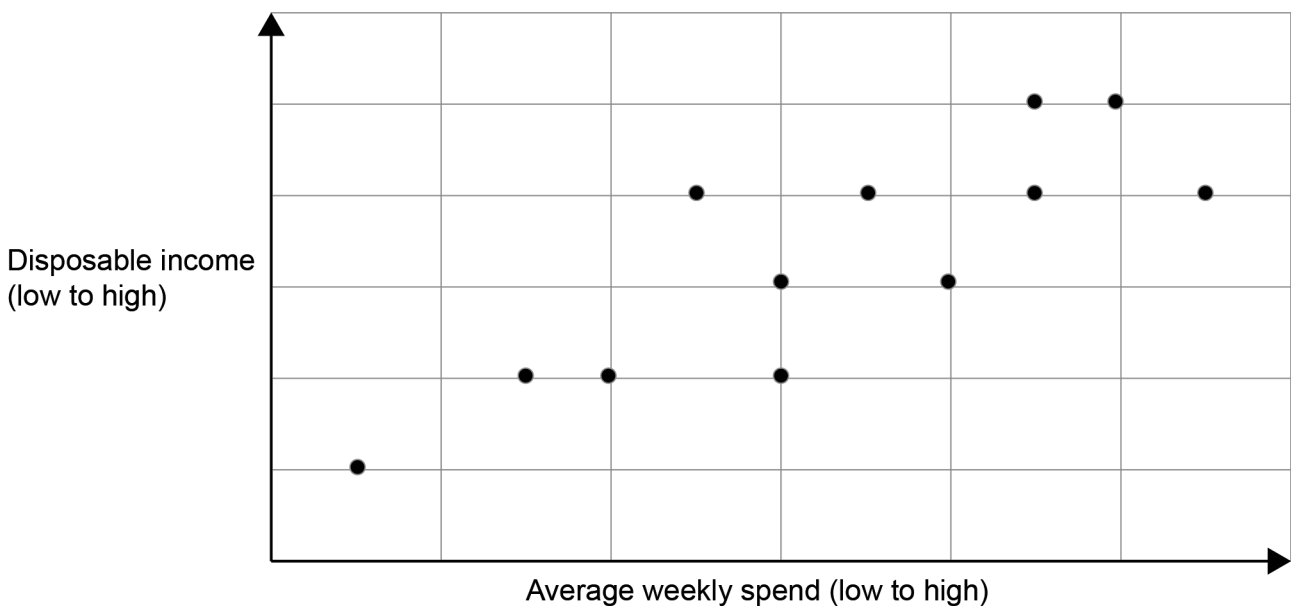
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..... [3]

- (b) A scatter diagram showing the relationship between levels of disposable income close to JGT's existing takeaways and the average weekly spend per customer is shown below.



Explain what the scatter diagram shows about the relationship between disposable income and customer spending.

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..... [3]

- 5** Kai would like to improve his decision-making skills. Kai has found a training course he would like to attend. He does not think it worthwhile for Ling to attend the same course.

Evaluate advantages and disadvantages for the decision-making process if Kai, but **not** Ling, receives this training.

**[12]**

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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6

- (a) If **Option 2: Open a dine-in restaurant in central London** is chosen, it will be important to ensure the restaurant is always fully staffed.

Ling has suggested that contingency planning will help to achieve this.

Describe **one** contingency JGT could make to help ensure the restaurant is always fully staffed.

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..... [3]

- (b) Last year JGT suffered a problem when some expensive raw ingredients went missing from one of the takeaways.

Ling has suggested they could use radio-frequency identification (RFID) tags to help avoid similar problems in future.

Explain how RFID tags could help to reduce the loss of expensive raw ingredients.

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..... [3]

- 7 Recommend which option JGT should take to help ensure its future success.

Justify your recommendation.

**[16]**

[illegible]

**END OF QUESTION PAPER**



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