Business Studies
Level 1

8994-01-001
Sample 00001

Candidate's name (Block letters please)

Centre no   **Date**

Time allowed: 1 hour 30 minutes
(plus 5 minutes' reading time).

Answer **all** questions. All answers must be written in blue or black ink.

Your answers should be written in the question booklet in the spaces provided.

If additional separate sheets of paper are used, make sure each page is clearly labelled with your name.

Calculators and English and mother tongue dictionaries can be used.

For examiner's use only

Section A	Section B			Total
35	Q1 - 15	Q2 - 15	Q3 - 5	70

C1   V1

Section A

Answer **all** questions in this section – 35 marks

1   State what happens to the price when demand for a product or service declines.

    ....
    (1 mark)

2   Identify one advantage and one disadvantage of specialisation.

    ....

    ....
    (2 marks)

3   Briefly describe, using an example, what is meant by an 'invisible import'.

    ....

    ....
    (2 marks)

4   A government wishes to encourage firms to locate to a particular area of the country. List
    three examples of government incentives that could be given.

    ....

    ....

    ....
    (3 marks)

5   a)   Briefly describe what is meant by the term multinational.

    ....

    ....
    (1 mark)

    b)   Identify one advantage and one disadvantage of having a multinational within a
          country.

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    ....
    (2 marks)

6   Briefly explain the **main** benefit to a company of having Limited Liability.

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(2 marks)

7   Identify **two** advantages and **one** disadvantage of having a 'franchise' agreement with a company.

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(3 marks)

8   A business has purchased a new van. Name **two** types of insurance risk needed.

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(2 marks)

9   The chain of distribution starts from the manufacturer and ends with the consumer.
Complete the **two** missing stages in the boxes below:

Manufacturer	a)	b)	Consumer
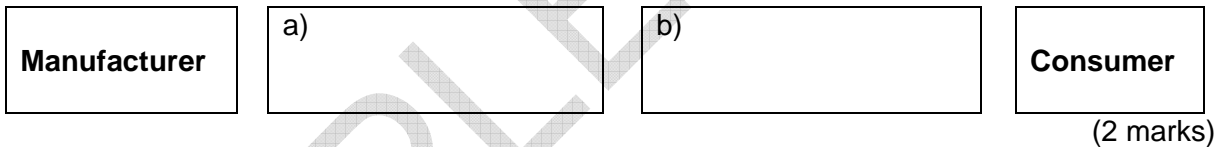
(2 marks)

10   Briefly explain the **'maturity' stage** in the product life cycle.

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……………………………………………………………………………………………………
(2 marks)

11   A catering company has a special offer on biscuits selling them at £1.70 per kg. Calculate

a)   the price of 8kg of biscuits

……………………………………………………………………………………………………

b)   less a discount of 10%

……………………………………………………………………………………………………

c)   Total price

……………………………………………………………………………………………………
(3 marks)

12 Identify the **best** method of transporting each of the following:

a) coal and steel across the country

………………………………………………………………………………………………

b) fresh fruit and vegetables across town

………………………………………………..………………………………………………

c) precious diamonds abroad

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(3 marks)

13 List **three** examples of **non-monetary** rewards.

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(3 marks)

14 State **two** advantages to the employee of 'off-the-job training'.

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………………………………………………………………………………………………
(2 marks)

15 State **two** benefits to a company of being a member of the local Chamber of Commerce.

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(2 marks)

(Total 35 marks)
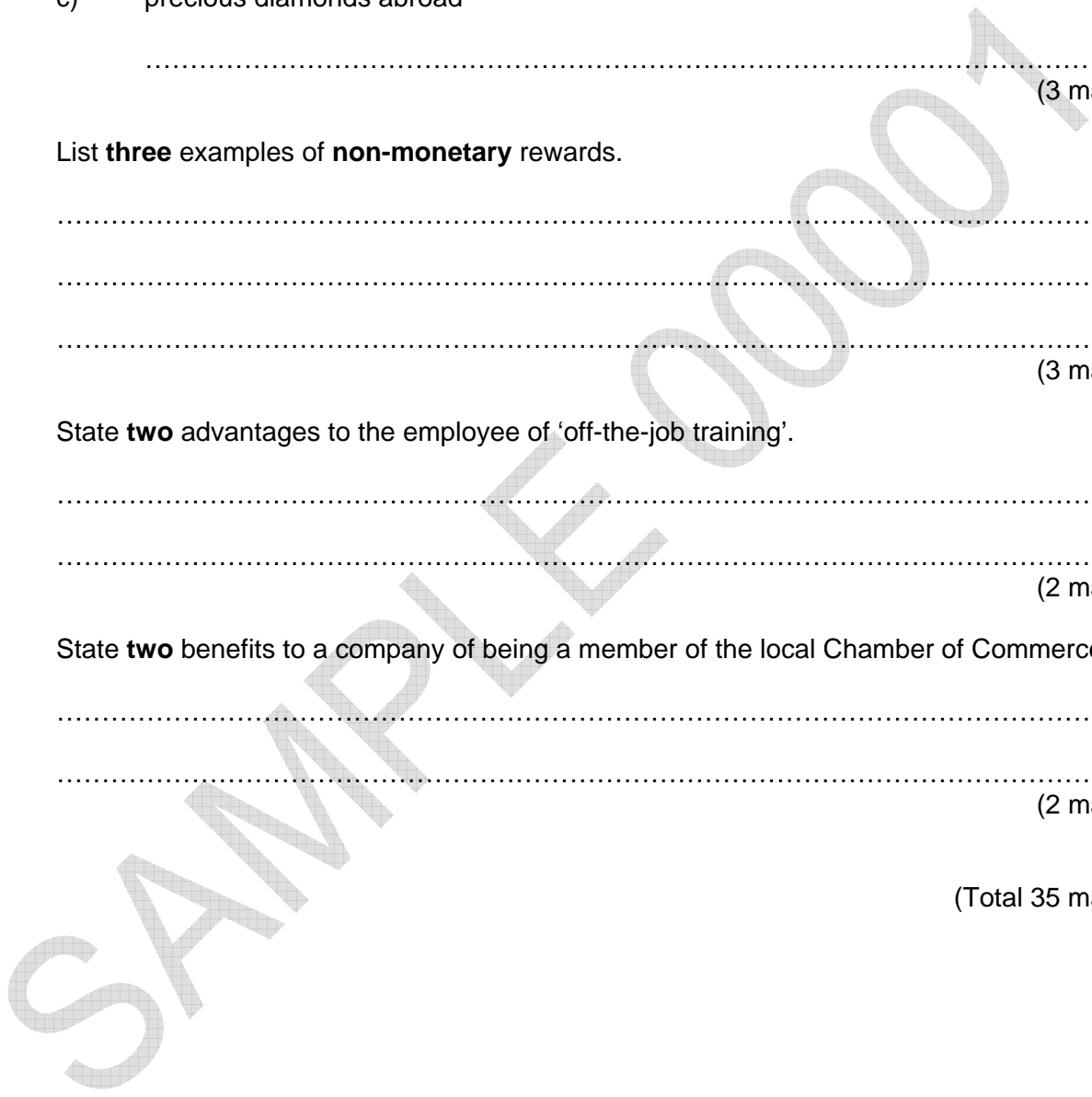
Section B

Answer **all** questions in this section – 35 marks

1 Matlo and Co. has expanded rapidly over the last ten years. There was a small notice board in the factory but this now appears to be ineffective as staff numbers have increased.

a) i) Describe **three** possible reasons why the notice board is now seen as an 'ineffective means of communication'.
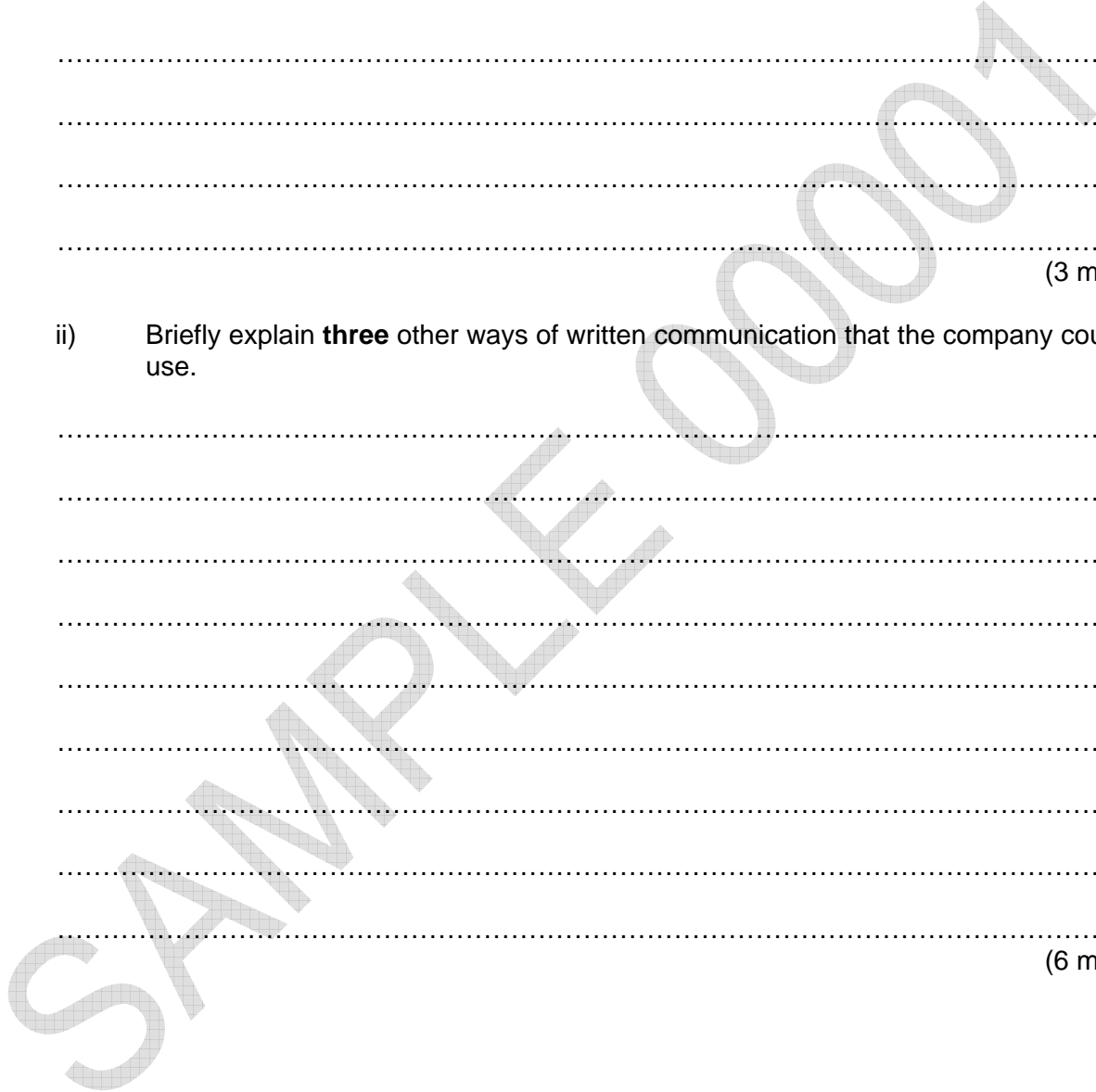
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(3 marks)

ii) Briefly explain **three** other ways of written communication that the company could use.

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(6 marks)

b)   As staff numbers have increased so have the number of factory accidents.

Identify **three** reasons why it is important for employers to promote health and safety in the workplace.

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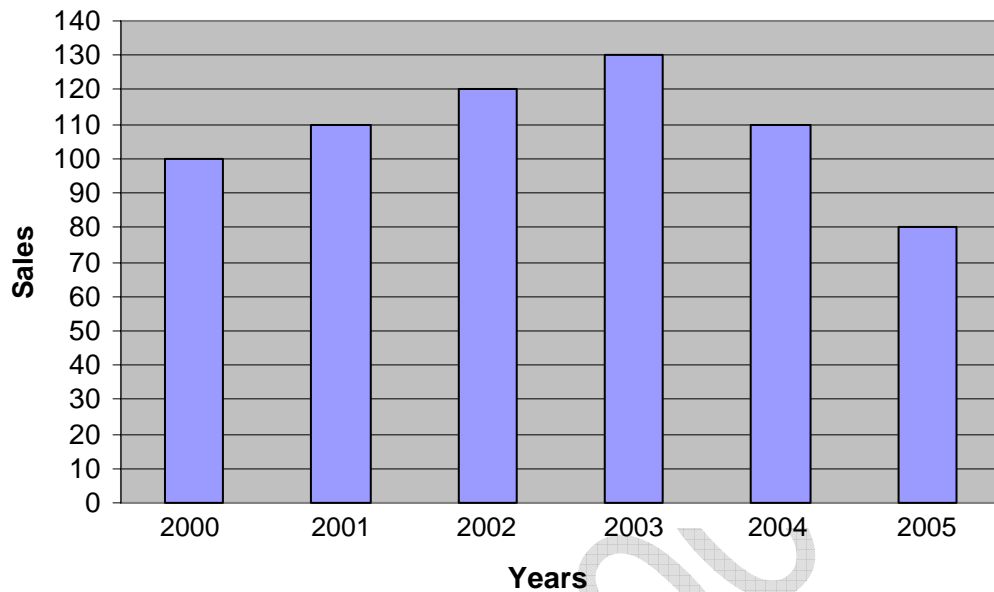……………………………………………………………………………………………………

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(6 marks)

(Total 15 marks)

2   Susan and Peter have shops in a large city, which sell trainers (sports shoes) mainly to people aged between 16 and 25 years. Since the shops were opened six years ago, sales of the trainers steadily increased for the first four years, but declined slightly in 2004 and considerably in 2005.

Calculate the following:

a)   Percentage decline in sales between 2000 and 2005.

    …….
                                                                                            (1 mark)

b)   Numerical decline in sales between

    i)   2003 and 2004

    …….
                                                                                            (1 mark)

    ii)   2004 and 2005

    …….
                                                                                            (1 mark)

Susan and Peter have some ideas as to possible reasons for the decline in sales but think they should first undertake some research.

c) Identify and briefly describe **three** field market research methods that they could use.

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(6 marks)

d) Briefly explain **three** courses of action Susan and Peter could take to improve sales of the trainers.

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(6 marks)

(Total 15 marks)

3   Khan and Sadiq have decided to appoint a Secretary to the Managing Director at their new offices. Complete the list below with the most important information which should also be included in an advertisement.

- KHAN and SADIQ

- Position of Secretary

- Reporting to the Managing Director

- Duties and Responsibilities

a) ………………………………………………………..

b) ………………………………………………………..

c) ………………………………………………………..

d) ………………………………………………………..

e) ………………………………………………………..

(5 marks)

(Total 35 marks)

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End of examination