



# Higher Business Management Past Paper Questions

---

---

## Contents

1	Case Studies (Section 1)	iii
1.1	New 2015 Case Study	1
1.2	Specimen Paper Case Study	6
1.3	Exemplar Paper Case Study	11
2	Understanding Business	17
2.1	Role of Business in Society	17
2.2	Types of Organisations	17
2.3	Objectives	17
2.4	External Factors	18
2.5	Internal Factors	18
2.6	Stakeholders	19
2.7	Structures	19
2.8	Decision Making	20
2.9	Technology	21
3	Marketing	22
3.1	Customers	22
3.2	Market Research	22
3.3	Marketing Mix	23
3.3.1	Product	23
3.3.2	Price	23
3.3.3	Place	24
3.3.4	Promotion	24
3.3.5	Extended Marketing Mix	25
3.4	Technology	26
4	Operations	27
4.1	Methods of Production	27
4.2	Stock Management	27
4.3	Quality	28
4.4	Ethical and Environmental	29
4.5	Technology	29

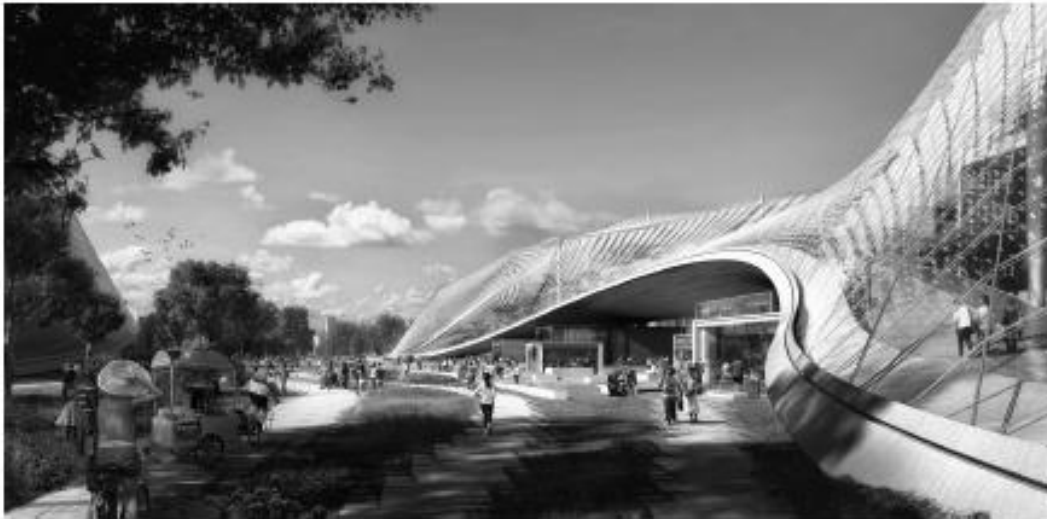
5	Human Resources .....	30
5.1	Workforce Planning .....	30
5.2	Recruitment and Selection.....	30
5.3	Training and Development.....	31
5.4	Motivation and Leadership .....	31
5.5	Employee Relations.....	32
5.6	Employee Legislation .....	33
6	Finance.....	34
6.1	The Role of Finance .....	34
6.2	Sources of Finance .....	34
6.3	Cash Flow and Budgeting.....	34
6.4	Financial Statements.....	35
6.5	Ratio Analysis .....	36
6.6	Technology .....	37

# 1 Case Studies (Section 1)

## 1.1 New 2015 Case Study

Welcome to the Google plex!

*Internet giant to build futuristic headquarters*



### INTRODUCTION

Google plc, the internet giant, has planned a massive expansion of its Californian headquarters (HQ). The million square foot headquarters, commonly referred to as the “Googleplex”. This is the first time the company has commissioned a building to be designed from scratch rather than modifying premises built by others. Google will have a building designed exactly for its own purpose and one which takes staff needs into account.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Google’s HQ plans to have solar panels and charging stations for employees’ electric cars or indeed Google’s own “driverless” cars that transport employees around the district. A low-energy heating and cooling system will allow Google to supply 100 percent fresh air economically. Most existing buildings introduce only a small percentage of fresh air. The company also seeks to eliminate potentially harmful chemicals in building materials. Google also have their own charity called “Google.org” and one of their commitments is to encourage the use of renewable energy in the United States of America.

## *GOOGLE'S PRODUCT PORTFOLIO*

The need for a new HQ comes as Google has grown by developing many new products. It has also acquired other technology companies over the years (see Exhibit 1). Products range from the original Google search engine to the Android mobile operating system for smartphones and tablets. Google's product portfolio can be seen in more detail in Exhibit 2.



## *CORPORATE CULTURE*

Google has a very relaxed corporate culture and this has been taken into account in the planning of the building. Although employees can work from outwith the office, the new HQ has been designed to encourage employees to want to be there so that they benefit from regular communication and idea sharing. Most Google employees have flexible working hours, adding to the general feeling of wellbeing.

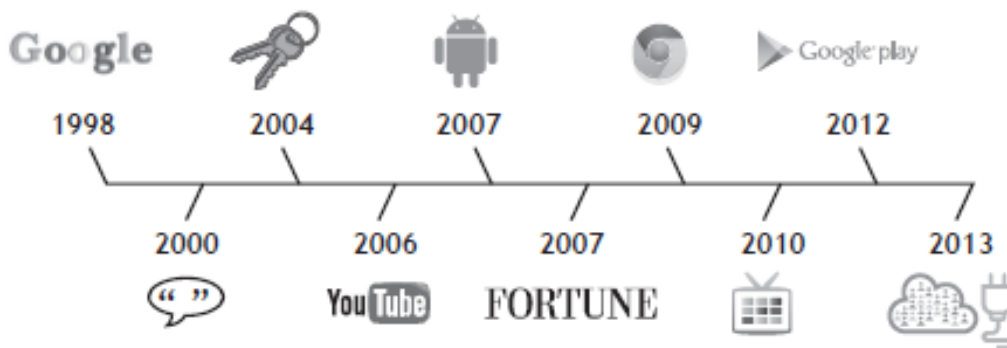
The design will also allow employees to meet up easily and chat. Employees can wear their own casual clothes and pedal on free bicycles or walk to informal meetings in the roof gardens or coffee shops. The Googleplex will continue to use the preferred Google colour scheme of primary colours currently used in the existing HQ and will house impressive facilities. Google's offices are well-known for their perks such as gourmet cafes, sleep pods, laptops attached to gym equipment and even pool tables and bowling alleys!

## *RECRUITMENT AND SELECTION*

Google's new employees are called "Nooglers". It may soon face competition in employing the very best potential "Nooglers" because other technology giants are also improving their offices. These rival businesses wish to ensure that they, like Google, can attract the best talent in the competitive job market.

Google and their competitors recruit for vacancies outwith their current staff from the same pool of University graduates and the wider workforce. Apple, its main competitor, is currently building an even bigger environmentally friendly campus. Meanwhile, Facebook is trying to tempt the next generation of IT graduates by creating a "Main Street" of stores, restaurants and facilities at the centre of its headquarters.

## Exhibit 1 – Google's timeline



1998 – Google.com

Google.com is registered as a domain.

2000 – Google in 10 Languages

The first 10 languages of Google are released. Today, search is available in 150+ languages.

2004 – Move to new HQ

Google move to their Mountainview headquarters, 11 years before the move to their latest “Googleplex” HQ.

2006 – YouTube acquired

Google announce the takeover of YouTube.

2007 – Android

Google launch Android – the first open platform for smartphone devices.

2007 – “Fortune” Best Company to Work For

Google is rated no 1 company to work for in a well-known business magazine.

2009 – Google Chrome

Google launch their own web browser, Google Chrome.

2010 – Google TV

Google TV is launched.

2012 – Google Play

Android Market is rebranded Google Play, a digital content store offering apps, games, books, music and more.

2013 – Energy efficiency in the cloud

Google funded research shows that increased use of cloud computing would drastically reduce energy consumption.

Exhibit 2 – Google's Product Portfolio

		Market Share	
		High	Low
Market Growth	High	<ul style="list-style-type: none"> <li>• Android mobile operating system</li> <li>• YouTube</li> <li>• Gmail</li> </ul>	<ul style="list-style-type: none"> <li>• Google Chrome internet browser</li> <li>• Google Nexus smartphone</li> <li>• Google TV</li> </ul>
	Low	<ul style="list-style-type: none"> <li>• Google search engine</li> </ul>	<ul style="list-style-type: none"> <li>• Google self-driving cars</li> </ul>

Exhibit 3 – Extract from Google's financial statements for the years 2011-2013

Google plc Income Statement (Trading, Profit and Loss Account) 2011-2013

	2011 \$ Million	2012 \$ Million	2013 \$ Million
Revenue (Sales)	\$37,905	\$50,175	\$59,825
Less Cost of Sales	<u>\$13,188</u>	<u>\$20,634</u>	<u>\$25,858</u>
GROSS PROFIT	\$24,717	\$29,541	\$33,967
<u>Less Expenses</u>			
Sales & Advertising	\$4,589	\$6,143	\$7,253
Research & Development	\$5,162	\$6,793	\$7,952
Administration	<u>\$3,224</u>	<u>\$3,845</u>	<u>\$4,796</u>
	<u>\$12,975</u>	<u>\$16,781</u>	<u>\$20,001</u>
PROFIT FOR THE YEAR (Net Profit)	<u>\$11,742</u>	<u>\$12,760</u>	<u>\$13,966</u>



The following questions are based on ALL the information provided and on knowledge and understanding you have gained whilst studying the course.

- |   |   |
|---|---|
| 1. (a) (i) Describe the method of production used to create Google's new headquarters.  | 1 |
| (ii) Discuss the advantages and disadvantages of the method of production described in 1(a)(i).                               | 5 |
| (b) Describe the advantages to Google of having a varied product portfolio as shown in Exhibit 2.                             | 5 |
| (c) Explain the benefits of Google's corporate culture to the organisation and its employees.                                 | 4 |
| (d) As a plc, Google has to publish its final accounts as shown in Exhibit 3.   |   |
| (i) Describe the following financial terms:   |   |
| • Revenue (Sales);  |   |
| • Gross Profit.   | 2 |
| (ii) Describe the trend in profitability using examples from Exhibit 3.   | 1 |
| (e) Google's development of its new headquarters is an example of organic (internal) growth.                                  |   |
| Describe other methods of growth available to Google.   | 4 |
| (f) Google aims to attract the best available talent from outwith its current staff.  |   |
| Discuss the use of this method of recruitment.  | 5 |
| (g) Describe the ways in which Google demonstrates positive Corporate Social Responsibility (CSR) as shown in the case study. | 3 |

## 1.2 Specimen Paper Case Study

### SECTION 1 — 30 marks

Read ALL the following information and attempt ALL the questions that follow.

*The following information has been taken from an Annual Report of J. Sainsbury PLC and is presented as a report to its shareholders.*

#### J. Sainsbury PLC

##### *Annual Report to shareholders 2013*

The Board is pleased to report on another good year for Sainsbury's. Profits have improved and we are continuing to invest significantly in strengthening the business for the future.

##### *Business review*

###### *A winning team*

We would like to thank our 157,000 colleagues for their efforts in providing excellent customer service. Our people are the face of Sainsbury's and are central to our success. We continue to invest in their training and development, and in ensuring Sainsbury's is a great place to work. Many of our colleagues have benefited from externally certified training qualifications in our seven food colleges. We are delighted that they share in a record bonus of over £90 million this year.

###### *Sainsbury's Bank*

Whilst our core business remains supermarkets, the move into banking with Lloyds Banking Group in 1997 has proved profitable. We have now reached an agreement to acquire Lloyds' 50 per cent shareholding and take full ownership of Sainsbury's Bank.

###### *Our values*

Our unique values and strong corporate culture are at the heart of our success and this remains as true today as it was when we were founded 144 years ago. Through our ambitious *20x20 Sustainability Plan* we aim to:

- *Source raw materials with integrity* — by ensuring our products ensure sustainability, eg responsibly caught seafood and no contribution to global deforestation
- *Reduce consumption of unhealthy foods* — by providing clear nutritional information
- *Respect our environment* — by reducing carbon emissions and continuing to use solar energy
- *Be a great place to work* — by providing certificated training for employees
- *Make a positive difference to the community* — by encouraging children to enjoy physical activity

###### *Loyalty and insight*

Nearly 12 million Sainsbury's customers regularly use their loyalty card and the data gathered from these cards enables us to understand our customers better and offer them targeted promotions.

###### *Market overview*

The UK economic climate in 2012/13 continued to be challenging. Inflation outstripped wage growth, squeezing household budgets. However, consumer confidence is improving due to continued low interest rates and falling unemployment.

Although the outlook has improved slightly over the year, consumer confidence is still lower than it was five years ago due to rising living costs and changes to taxation and benefits. People are buying slightly less in their weekly grocery shop and then topping it up locally in convenience stores.

## SECTION 1 (continued)

Customers are more price-conscious than ever, looking for discounts and offers to help them save money. Despite the economic downturn, consumers are still willing to spend money on expensive ethical products such as fair trade items. People carefully consider their spending decisions and have greater expectations of the quality and integrity of goods and services they buy.

### Strategy for growth

The following five-point plan highlights our strategy going forward:

- *Great food*—the quality and value of our food, combined with our strong ethical standards and supplier relationships, differentiate us from other supermarkets and help our customers to *Live Well for Less*.
- *Compelling general merchandise and clothing*—*Tu* is the seventh most popular clothing brand in the UK and we sell more bakeware than our rivals.
- *Complementary channels of distribution and services*—we offer a winning mix of supermarkets, convenience stores and an online service.
- *Developing new business*—we continue our drive into the online and digital entertainment market with the purchase of a majority stake in Anobii, now operating as *eBooks by Sainsbury's*. Sainsbury's pharmacies are now open in over 270 stores and in three hospitals. We are finding other new ways to offer our services—from our online retail website to our innovative *Mobile Scan & Go*.
- *Growing space and creating property value*—we are increasing our store portfolio by adding bright, modern extensions, and state-of-the-art new supermarkets and convenience stores.



Source: Adapted from J. Sainsbury PLC Annual Report 2013

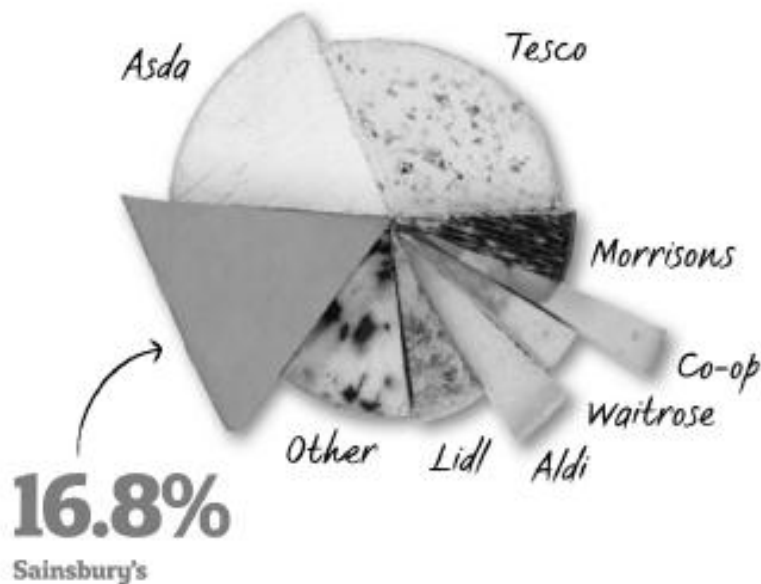
### Further information

Exhibit 1 — Extract from Sainsbury's financial performance

	2012/13	2011/12	Change
	£ millions	£ millions	%
Sales	23,303	22,294	+ 4.5
Gross Profit	829	789	+ 5.1
Net Profit	614	598	+ 2.7

Source: Adapted from J. Sainsbury PLC Annual Report 2013

Exhibit 2 — Sainsbury's market share



Source: Kantar Worldpanel total till roll for the 52 weeks to 17 March 2013

*Exhibit 3 — Sainsbury's growth timeline*

1869	First store opened on London's Drury Lane
1950s	First self-service stores opened
1970s	Introduced the first bakeries, fresh fish counters, coffee shops and petrol stations
1994	First major supermarket in the UK to sell fair trade food
1996	Began recycling partnership with Oxfam
1997	Started Sainsbury's Bank in a joint venture with Lloyds Banking Group
2004	Launched the <i>Tu</i> fashion range
2009	First major retailer to stop selling eggs from caged hens
2010	Opened the first of our seven food colleges – with over 20,000 colleagues given off-the-job training
2012	Sainsbury's was the only sponsor for the 2012 Paralympic Games and was a major partner of the Diamond Jubilee celebrations Purchased majority stake in e-book business Anobii

*Source: Adapted from J. Sainsbury PLC Annual Report 2013*

**MARKS**

The following questions are based on ALL the information provided and on knowledge and understanding you have gained whilst studying the Course.

- |   |   |
|---|---|
| 1. (a) (i) Describe what is meant by market share.  | 1 |
| (ii) Describe People, Process and Physical Evidence used by Sainsbury's in the information provided.                              | 3 |
| (b) Discuss the methods of growth used by Sainsbury's in the information provided.  | 6 |
| (c) Describe, using evidence from the information provided, ethical and environmental factors Sainsbury's has taken into account. | 5 |
| (d) Describe the profitability ratios used to analyse financial data.   | 3 |
| (e) Explain the impact on Sainsbury's of the external factors highlighted in the information provided.                            | 6 |
| (f) Compare Sainsbury's method of staff training with on-the-job training.  | 4 |
| (g) Describe the interdependence of Sainsbury's stakeholders identified in the information provided.                              | 2 |



## 1.3 Exemplar Paper Case Study

### Peter Scott & Co.

Peter Scott & Co., the Hawick based textile manufacturer, was sold as a going concern to UK clothing company Gloverall in 2010 after entering administration earlier the same year. Almost 120 of the existing Peter Scott & Co. staff were made redundant by the administrators. The remaining 20 staff were transferred to the Northampton based Gloverall, who originally made their name manufacturing duffle coats.

At the time Samuel Lee, Gloverall director, said, "Gloverall is delighted to acquire a business with such a rich heritage and brand presence. We are currently reviewing our intentions to recommence full production of Peter Scott & Co. products in Hawick".

### The Beginning

Peter Scott founded the company in 1878 and the business was still manufacturing in Hawick over 130 years later. During this time it had become one of Scotland's best known exporters.

*Peter Scott*

From the beginning Peter Scott & Co. always strove to buy the best in wool, silk, cashmere and cotton. This policy of purchasing expensive high quality materials continued until the company went into administration in 2010.

The company, in an effort to promote the brand image, always maintained close links with sporting and cultural activities. Peter Scott & Co. continues to supply a great deal of its clothing to the golfing world and has an exclusive range of golfing knitwear.

### Present Situation

Despite having an excellent reputation and strong brand, Peter Scott & Co. suffered heavily from increased overseas competition. This resulted in the 120 redundancies and forced the company directors to work closely with local and national government agencies to save the remaining jobs. The Scottish Government attempted to help the company directors by setting up discussions with several parties who had an interest in purchasing the company.

### Gloverall's Plans for Peter Scott & Co.



Gloverall's Finance Director, Walter Goulding, suggested that it wanted to rebuild the workforce saying, "We are continuing to employ the initial 20 people from Peter Scott & Co., but will look to build back up the local workforce". He added, "The administrators had decimated the workforce. There were no knitters or production staff left which left us in a poor situation to begin with. But the Peter Scott brand is an excellent product and we want to get production up to full

speed again in Hawick as soon as possible. The 'Made in Scotland' label is very important to our future success".

Gloverall had to look closely at the production and manufacturing facilities in the existing Hawick factory. The building was old and unsuitable for modern manufacturing practices and the machinery at the Hawick factory needed upgrading to incorporate the latest technology.

Traditionally, knitwear production is very labour intensive and the workers require close supervision. The management of Gloverall has invested in modern technology to improve the process, making use of just-in-time production at the Hawick factory. The old machinery, which relied heavily on skilled staff, has been replaced with new automated machines. This has resulted in a change to the staff skills required at the Hawick factory.

#### **“Banks Renewables” Invest in the Local Community**

Peter Scott & Co. has created a link with Banks Renewables, through an initiative called “Learning Working Earning”. Banks Renewables will give grants to jobless people who are prevented from taking up work offers because they cannot afford vital tools, smart work clothes or protective equipment. It will also consider requests for help with transport and childcare costs to allow people to enter the job market. Employers will also be able to apply for financial assistance to help cover the costs of taking on modern apprentices, or in supporting employees who are involved in work-based learning.

The initiative will help create new opportunities for local workers, who it is hoped that through this support, will have more creative ideas of their own and require less direct input from managers.

Alistair Young, Operations Manager at Peter Scott & Co. said “The ‘Learning Working Earning’ initiative is definitely of major interest to us. Thankfully, with the rise in demand for authentic Scottish Produce, we have seen a fantastic growth in trade with our sales up by 30% in the last two years. This means we are now in a position to expand our workforce”.

#### **Major Projects Set to Reverse Investment Slump in The Borders**

Scottish Borders Council and Scottish Enterprise continue to help in the Borders region with grants available for research and innovation high on the priority list. EU initiatives are also available to help non-retail businesses which support local jobs. The directors of Peter Scott & Co. are eagerly looking to use these initiatives to help the business increase the skills set of its current and future employees.

Adapted from *The Scotsman*, May 2010

[Drapersonline.com](http://Drapersonline.com)

[Gloverall.com](http://Gloverall.com)

[www.banksgroup.co.uk/borders-business-backs-wind-farm-training-investment/](http://www.banksgroup.co.uk/borders-business-backs-wind-farm-training-investment/)



## Further Information

### *Exhibit 1 — Peter Scott & Co. Brand Range*

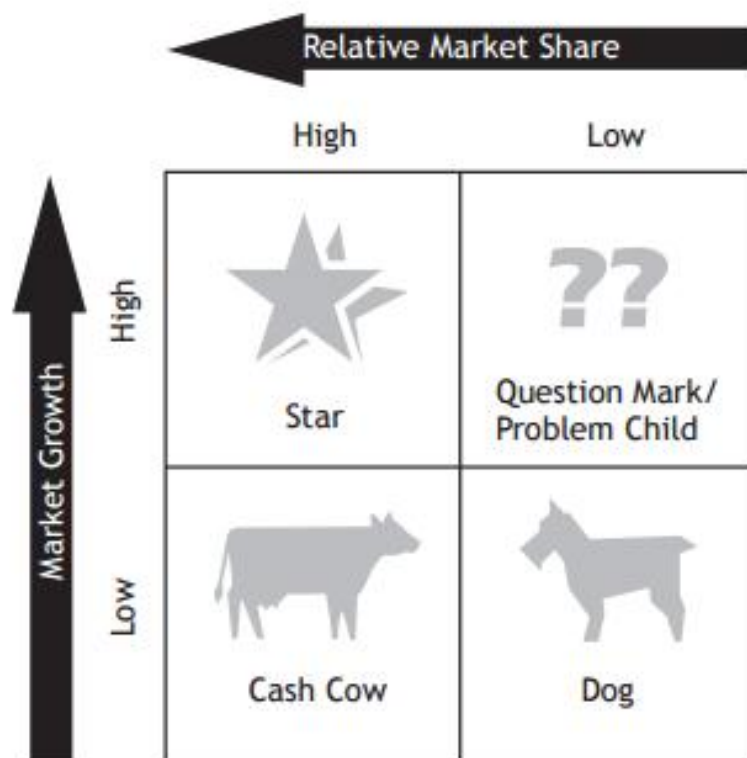
**Golf Knitwear** — Peter Scott & Co. offers an extensive range of exclusive, personalised knitwear for both men and lady golfers. Available for custom logo embroidery, Peter Scott knitwear is ideal for golf societies, golf club cresting and corporate golf days.



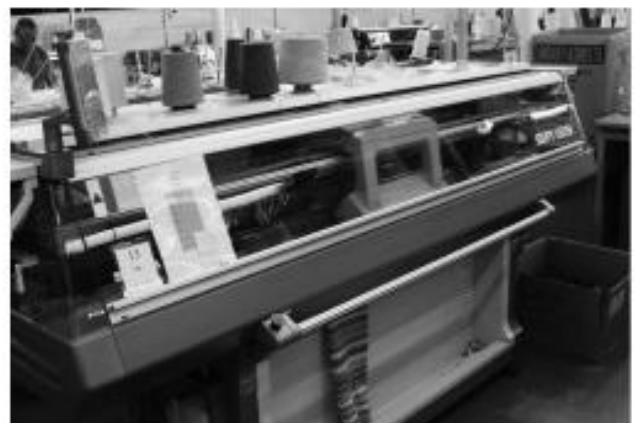
**Fashion Knitwear** — Peter Scott & Co. combines quality and craftsmanship with innovation and design. All garments are crafted in its factory in Hawick, and include a new range for both summer and winter.



**Exhibit 2 — Boston Matrix**



**Exhibit 3 — Traditional Labour Intensive Knitwear Production vs Modern Automated Knitwear Production**



The following questions are based on ALL the information provided and on knowledge and understanding you have gained whilst studying the Course.

- |         |  |   |
|---------|--|---|
| 1. (a)  | Describe the sources of finance and assistance available to Peter Scott & Co. that are highlighted in the information provided.                                | 3 |
| (b)     | Exhibit 1 shows that Peter Scott & Co. has a range of new products. Describe the pricing strategies that Peter Scott & Co. could use to launch these products. | 6 |
| (c) (i) | Peter Scott & Co. has moved from labour intensive to automated production. Explain the costs and benefits of automated production for Peter Scott & Co.        | 5 |
| (ii)    | Discuss the use of just-in-time for Peter Scott & Co.  | 4 |
| (d) (i) | Describe the different styles of leadership that managers of Peter Scott & Co. could use.  | 5 |
| (ii)    | Describe how workforce planning could ensure Peter Scott & Co. has appropriate staff.  | 3 |
| (e)     | Exhibit 2 shows a Boston Matrix. Explain how a Boston Matrix can be used by Peter Scott & Co. to manage its product portfolio.                                 | 4 |

# Questions (Section 2)

---

## **2 Understanding Business**

### **2.1 Role of Business in Society**

Old 2015

2 (b) Describe 2 other sectors of the economy. (2)

2014

4. Describe how horizontal and vertical integration can benefit an organisation. (5)

Practice Paper A

3 (b) Describe sectors of industry (4)

### **2.2 Types of Organisations**

Practice Paper A

3 (a) Compare the features of a PLC with that of an organisation in the public sector. (3)

### **2.3 Objectives**

Old 2015

2. (a) Describe the possible objectives of a public sector organisation such as a local council. (4)

2014

4 (b) Compare the objectives of a private sector organisation with the objectives of a public sector organisation. (4)

5 (b) Describe why some organisations produce a mission statement. (4)

Exemplar Paper

2. (a) Describe the possible methods of growth for a public limited company. (5)

## **2.4 External Factors**

### Old 2015

- 1(b)(i) Explain the impact of 3 environmental factors on an organisation. (3)
- (ii) Describe other external factors which could impact on an organisation. (5)

### Practice Paper C

- 1 (b) Explain the impact of Government Economic Policy on an organisation. (5)

## **2.5 Internal Factors**

### Old 2015

- 3(c) Describe the methods an organisation could use to create a strong corporate culture. (5)
4. (a) Describe the internal factors that would influence the success of a managerial decision. (5)

### 2014

8. Describe the internal factors that could result in a quality decision being made. (4)

### Practice Paper C

- 1(c) Describe the interdependence between the owners and employees of an organisation. (2)

### Practice Paper D

- 2 (a) Describe the internal factors that can impact an organisation. (4)

### Exemplar Paper

2 (b) Explain the impacts that 3 political factors could have on an organisation. (A different impact should be explained each time.) (3)

## **2.6 Stakeholders**

### Old 2015

5(d) Describe the influence stakeholders could have on an organisation. (5)

### 2014

7. Describe how 5 different stakeholders of The Royal Bank of Scotland could influence the organisation's future plans. (5)

## **2.7 Structures**

### Old 2015

3. Describe the main features of an entrepreneurial structure. (3)

3(b) Explain the advantages to an organisation of using functional grouping. (4)

4(b) Explain the advantages and disadvantages to an organisation of delayering. (5)

5(c) Discuss the use of outsourcing by an organisation. (5)

### 2014

3. Explain the benefits of delayering to an organisation. (4)

2. (a) Describe the main features of a matrix structure. (3)

3. (a) Explain the impact of outsourcing on an organisation. (5)

4(e) Describe the different forms of grouping which can be used by a multinational organisation. (5)

### Practice Paper A

3 (c) Describe the following terms:

- Chain of command
- Delegation
- Wide span of control

### Practice Paper C

1 (a) Compare tall and flat organisational structures. (3)

### Exemplar Paper

2(c) Describe the factors that influence the formal structure of an organisation. (2)

## **2.8 Decision Making**

### Old 2015

9. Explain the advantages of using a structured decision making model. (4)

3(d) Distinguish between strategic and tactical decisions. (3)

### 2014

2(e) Describe how a manager could assess the effectiveness of a decision. (4)

3(d) Discuss the use of structured decision making models within an organisation. (5)

### Practice Paper D

2 (b) Compare the types of decisions a manager could make. (3)

2 (c) Discuss the use of SWOT analysis as a tool to aid decision making. (3)



## **2.9 Technology**

2014

2. Describe the benefits to an organisation of investing in new technology. (5)

4. (a) Explain the advantages to an organisation of selling products using e-commerce. (4)

Old 2015

5. Explain the advantages and disadvantages to an organisation of introducing ICT. (6)

## **3 Marketing**

### **3.1 Customers**

### **3.2 Market Research**

#### New 2015

2(c) Compare the use of random sampling and quota sampling when carrying out market research. (2)

#### Old 2015

1(d) Describe the characteristics of quality information. (6)

2(d) Describe niche marketing. (3)

3. (a) Describe 6 methods that an organisation could use to segment its market. (6)

#### 2014

2(f) Describe the characteristics of high quality, reliable information. (4)

3(e) Distinguish between the terms:

- Quantitative and qualitative information
- Primary and secondary information. (4)

4(c) Discuss the use of 3 field research techniques. (6)

#### Practice Paper B

2 (c) Compare two method of market research (3)

## **3.3 Marketing Mix**

### **3.3.1 Product**

#### Old 2015

2(c) Explain the advantages and disadvantages to organisations of having own brand products. (6)

#### 2014

1(d) Explain the effects on an organisation of branding their products. (6)

#### Practice Paper C

4(b) Explain what happens to profitability at stages in the product life cycle (4)

#### Specimen Paper

5. (a) Describe the benefits of maintaining a product portfolio. (4)

### **3.3.2 Price**

#### Old 2015

4(d) Describe the pricing tactics that could be used to extend the life of a product. (6)

#### 2014

5. Describe 3 pricing tactics that could be used when an organisation attempts to launch a new product. (6)

#### Practice Paper D

3 (c) Justify the use of loss-leaders. (2)

### Specimen Paper

5 (b) Compare the use of penetration pricing with skimming pricing. (3)

### **3.3.3 Place**

#### New 2015

2(b) Discuss the factors an organisation might consider before selecting a channel of distribution. (4)

#### 2014

1(b) Discuss the methods of physical distribution of a product from the producer to the customer. (5)

5. (a) Describe the factors an organisation would take into account before choosing a channel of distribution. (5)

### Practice Paper B

2 (a) Explain why an organisation may choose to sell its products using a wholesaler (4)

4 (b) Describe factors that would need to be considered when choosing a channel of distribution. (5)

### **3.3.4 Promotion**

#### New 2015

2. (a) Describe the sales promotions which could be used when launching a new product. (4)

### Old 2015

7. Describe and justify 4 methods of direct selling that an organisation could use.  
(A different justification must be used each time.) (8)

### 2014

- 1(e) Describe the methods available to a Public Relations department to improve the image of an organisation. (5)

### Practice Paper B

- 2(a) Discuss the methods of promotion an organisation could use. (3)

### Practice Paper C

- 4 (c) Describe out of the pipeline promotion that an organisation could use. (3)

### Specimen Paper

- 5 (c) Describe into the pipeline promotions that an organisation could use. (3)

## **3.3.5 Extended Marketing Mix**

### Practice Paper C

- 4 (a) Describe the elements of the extended marketing mix. (3)

### Practice Paper D

- 3 (a) Describe ways of extending the life cycle of a product. (4)

### **3.4 Technology**

#### **Practice Paper D**

3 (b) Explain the benefits of using e-commerce

(4)

## **4 Operations**

### **4.1 Methods of Production**

#### Old 2015

1. (a) (i) Compare job production with batch production (4)
- (ii) Describe flow production. (2)

#### 2014

1. (a) Describe and justify the use of 2 methods of production. (4)

#### Specimen Paper

4. (a) Describe the production methods an organisation could use. (4)

### **4.2 Stock Management**

#### New 2015

3. (a) Discuss the advantages and disadvantages of centralised stock storage. (4)
3. b) Explain the disadvantages of just in time stock control. (4)

#### Old 2015

- 5(b) (i) Discuss the use of Just in Time stock control. (6)
- (ii) Explain the factors an organisation would take into account before choosing a supplier. (5)

#### 2014

- 3(c) Describe the different stages involved in setting an appropriate stock level. Use a diagram to support your answer. (6)

3 (e) Describe the factors an organisation would take into account prior to selecting a supplier. (5)

#### Practice Paper A

1. (a) Discuss the use of Just in Time stock control. (4)

1. (b) Explain the benefits of capital intensive production. (3)

#### Practice Paper D

4 (a) Discuss factors that need to be considered to ensure effective stock management. (5)

#### Specimen Paper

4 (b) Discuss the use of a just-in-time stock control system. (6)

### **4.3 Quality**

#### Old 2015

2(b) Discuss the use of quality inputs for an organisation. (5)

#### 2014

9. Discuss the use of quality standards, such as the BSI Kitemark, for an organisation. (6)

#### Practice Paper D

4 (b) Describe the methods of ensuring quality. (5)

#### Exemplar Paper

5. (a) Discuss the use of quality standards for an organisation. (6)



## **4.4 Ethical and Environmental**

### New 2015

3(c) Describe the benefits of achieving Fairtrade certification. (2)

### Practice Paper A

1. (c) Describe methods an organisation could use to be more environmentally friendly (3)

## **4.5 Technology**

### Practice Paper B

4 (a) Discuss the role of technology in the operations department (5)

### Exemplar Paper

5 (b) Describe the use of ICT in a stock control system. (4)

## **5 Human Resources**

### **5.1 Workforce Planning**

#### Practice Paper C

2 (b) Justify the use of workforce planning. (5)

### **5.2 Recruitment and Selection**

#### Old 2015

6. Compare the use of internal sources with external sources of recruitment. (4)

4(e) Describe and justify 3 methods of testing that could be used when selecting staff.  
(A different justification must be used each time.) (6)

#### 2014

4(d) Describe the different forms of testing that can be used in the selection process.  
(6)

#### Practice Paper A

2 (b) Justify the use of testing as a method of selection (4)

#### Practice Paper B

1 (b) Discuss internal and external recruitment (4)

#### Practice Paper D

1 (b) Describe the costs and benefits of advertising a job vacancy online (3)

#### Specimen Paper

2. (a) Describe the selection methods used to appoint new employees. (4)

## **5.3 Training and Development**

### 2014

5(f) Justify the use of staff training for an organisation. (4)

### Practice Paper C

2 (a) Discuss the use of work-based qualifications. (5)

### Specimen Paper

2 (b) Explain the benefits of using information technology to deliver staff training. (3)

### Exemplar Paper

4 (b) Explain the advantages of staff training to an organisation. (3)

## **5.4 Motivation and Leadership**

### New 2015

5. (a) Describe the features of Maslow's motivation theory. (4)

### Old 2015

1 (c) Describe the role of appraisal in improving an employee's performance. (5)

### Practice Paper B

1 (a) Compare two theories of motivation. (4)

### Specimen Paper

2 (c) Describe one theory of motivation used by managers. (3)

## **5.5 Employee Relations**

### **New 2015**

5(b) Explain the benefits of positive employee relations. (3)

### **Old 2015**

3(e) Describe the stages of a formal disciplinary procedure taken against an employee. (4)

3(f) Describe the advantages of collective bargaining carried out by a trade union. (3)

8. Describe employee payment systems that are available to an organisation. (5)

### **2014**

2(c) Describe the types of industrial action that employees could take. (5)

2(d) Explain the effects that prolonged industrial action could have on an organisation. (5)

3(b) Describe the changing patterns of employment that have occurred recently in the UK. (5)

### **Practice Paper A**

2(a) Discuss the use of an appraisal. (2)

### **Practice Paper B**

1 (c) Describe ways of ensuring good employee relations (2)

### Practice Paper D

- 1 (a) Discuss the institutions involved in employees relations. (3)

### Exemplar Paper

- 4 (c) Explain the impact of industrial action on an organisation. (4)

## **5.6 Employee Legislation**

### New 2015

- 5(c) Discuss the effects of the Equality Act 2010 on an organisation (3)

### Old 2015

2. (a) Describe the main features of the Data Protection Act 1998. (5)

### Practice Paper A

- 2 (b). Explain the impact of employment legislation on an organisation (4)

### Practice Paper D

- 1 (c) Explain the impact of the Equality Act on an organisation. (4)

### Exemplar Paper

4. (a) Describe the impact of the Equality Act 2010 on organisations and employees. (3)

## **6 Finance**

### **6.1 The Role of Finance**

2014

2(b) Explain the role of the Finance department in an organisation (4)

Practice Paper B

3(a) Describe how an organisation could improve liquidity. (4)

Practice Paper C

3 (a) Describe the limitations of financial information (4)

### **6.2 Sources of Finance**

New 2015

4(c) Discuss the sources of long-term finance available to a plc. (4)

2014

1(c) Describe the methods of financing a takeover. (5)

Practice Paper B

3(b) Justify sources of finance suitable for a large organisation (4)

### **6.3 Cash Flow and Budgeting**

New 2015

4. (a) Describe the advantages to an organisation of using cash budgets (4)

### Old 2015

4. Describe the actions an organisation could take to overcome cash flow problems. (4)

### 2014

6. Explain why managers use cash budgets. (5)

### Practice Paper B

- 3 (c) Explain the benefits of using a cash budget (2)

### Specimen Paper

3. (a) Describe the reasons a profitable organisation may experience cashflow problems. (4)

## **6.4 Financial Statements**

### New 2015

- 4(b) Describe the reasons why a competitor may be interested in the financial information of an organisation. (2)

### Old 2015

- 4(c) Distinguish between the following financial terms:

- Fixed Assets and Current Assets
- Gross Profit and Net Profit
- Debtors and Creditors. (3)

5. (a) Describe the final accounts that would be produced by a public limited company. (4)

## 2014

5(c) Distinguish between the following financial terms:

- Gross Profit and Net Profit
- Fixed Assets and Current Assets
- Debentures and Shares. (3)

## Practice Paper A

4 (b) Describe methods of solving cash flow problems (5)

## Practice Paper C

3 (c) Compare two final accounts prepared by the finance department (2)

## Exemplar Paper

3. (a) Describe the final accounts that would be produced by an organisation. (3)

3 (b) Describe the reasons why a competitor would make use of another organisation's final accounts. (2)

# **6.5 Ratio Analysis**

## Old 2015

2(e) Discuss the use of ratios to analyse financial data. (6)

## 2014

5 (d) Explain the reasons managers use accounting ratios. (4)

## Specimen Paper

3 (b) Discuss the advantages and disadvantages of using ratio analysis. (6)



Exemplar Paper

3 (c) Describe the limitations of ratio analysis when making financial decisions. (5)

**6.6 Technology**

Practice Paper A

4 (a) Explain the use of technology in the finance department (5)

Practice Paper C

3 (b) Explain the use of technology by the finance department. (4)