AQA

Please write clearly in block capitals.

Centre number | | | | | | Candidate number | | | | |

Surname _____

Forename(s) _____

Candidate signature _____

GCSE
BUSINESS

Paper 1 Influences of operations and HRM on business activity

Friday 24 May 2019 Morning Time allowed: 1 hour 45 minutes

Materials
For this paper you must have:
- a calculator.

Instructions
- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions.
- You must answer the questions in the spaces provided. Do not write outside the box around each page or on blank pages.
- Do all rough work in this answer book. Cross through any work you do not want to be marked.

Information
- The marks for each question are shown in brackets.
- The maximum mark for this paper is 90.

For Examiner's Use	
Section	Mark
A	
B	
C	
TOTAL	

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Section A

Answer **all** questions in the spaces provided.

For questions with four responses, only **one** answer per question is allowed.

For each answer, completely fill in the circle alongside the appropriate answer.

CORRECT METHOD 

WRONG METHODS 

If you want to change your answer you must cross out your original answer as shown. 

If you wish to return to an answer previously crossed out, ring the answer you now wish to select as shown. 

0 1 . 1 Identify which of the following is a method of internal recruitment.

[1 mark]

A Advertising in a Job Centre ⬭

B Advertising in a local newspaper ⬭

C Advertising in the employee newsletter ⬭

D Advertising on the radio ⬭

0 1 . 2 Which of the following types of business have no restrictions on who shares can be sold to?

[1 mark]

A Partnership ⬭

B Private Limited Company ⬭

C Public Limited Company ⬭

D Sole Trader ⬭



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0 1 . 3 Which of the following is an example of a business operation in a primary sector?

[1 mark]

A Bank ⬭

B Car manufacturer ⬭

C Fruit farm ⬭

D Hairdresser ⬭

0 1 . 4 Which of the following definitions describes lean production?

[1 mark]

A An approach to production that aims to minimise waste. ⬭

B People and activities involved in the production process. ⬭

C When an item moves continuously from one stage of the process to another. ⬭

D Where individuals in the production process focus on a limited number of tasks. ⬭

0 1 . 5 Which of the following formulae is used to calculate average unit costs?

[1 mark]

A Fixed costs/output ⬭

B Total costs/output ⬭

C Total costs/profit ⬭

D Variable costs/profit ⬭

Question 1 continues on the next page

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0 1 . 6 Which of the following would be an objective of the local community?

[1 mark]

A Businesses maximising profit ⬭

B Businesses paying higher dividends ⬭

C Businesses paying lower wages ⬭

D Businesses reducing environmental impact ⬭

0 1 . 7 Identify **two** reasons why employees choose to leave a business.

[2 marks]

Reason 1 _____

_____

_____

Reason 2 _____

_____

_____

0 1 . 8 Explain the term delayering.

[2 marks]

_____

_____

_____

_____

0 1 . 9 Explain the term delegation.

[2 marks]

_____

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0 1 . 10 Explain the purpose of a job description.

[2 marks]

0 1 . 11 Businesses produce goods or supply a service.

Explain, using an example, what a service is.

[2 marks]

0 1 . 12 State and explain **two** types of contract of employment.

[4 marks]

Type of contract 1 _____

Explanation _____

Type of contract 2 _____

Explanation _____

20

Turn over for Section B

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Section B

Answer **all** questions in the spaces provided.

0 2 **Item A: Fleet Bikes**

Fleet Bikes is a United Kingdom (UK) business which manufactures high quality adult road bikes to sell to retailers. Orders from retailers are expected to be delivered within two weeks. There are lots of competitors for adult bikes. To increase its share of the bike market, the business has decided to develop its own range of children's bikes. A loan will be required to fund a factory extension. The business is aiming to reduce production costs.

The factory uses total quality management (TQM). The production of bikes uses steel and aluminium. The price of these raw materials goes up and down daily. Each month Fleet Bikes estimates the amount of steel and aluminium which it will need in advance for production. These large orders are delivered within a week and take up all the space in its warehouse. Currently, Fleet Bikes receives a 10% discount from its main supplier for large orders. The supplier can deliver smaller amounts within three hours for an extra cost.

Children's bikes will be sold only on Fleet Bikes' website. Customers will expect quick delivery and many of the bikes will need to be manufactured and then sent to the customer within 24 hours of receiving the order.

0 2 . 1 State **two** factors of production.

[2 marks]

Factor 1 _____

_____

Factor 2 _____

_____

0 2 . 2 Explain how total quality management (TQM) can help a business achieve better quality.

[2 marks]

_____

_____

_____

_____

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0 2 . 3 Fleet Bikes expects to produce and sell 600 children's bikes a year. The revenue from these sales is predicted to be £240 000 annually.

For each of the children's bikes:

- steel and aluminium will cost £50
- parts will cost £45

Advertising, wages and other costs will cost £12 000 per month.

Using the above figures, calculate the expected profit per children's bike.

State the formula used and show your workings.

[5 marks]

Formula: _____

Workings: _____

_____

_____

_____

_____

_____

Answer £ _____

Question 2 continues on the next page

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0 2 . 4 When ordering raw materials of steel and aluminium the business is considering changing to Just In Time stock control (JIT).

Advise Fleet Bikes Ltd whether or not this is a good idea.

Give reasons for your choice.

[9 marks]

Extra space

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Question 2 continues on the next page

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Item B: Fleet Academy

Production and sales of children's bikes has started. The company has now created a new department called the Fleet Academy that will start renting children's bikes within six weeks.

The aim of the rental service is that every child should be able to enjoy riding bikes that always fit them. The rental bikes can be changed when children grow. Parents will be able to view information on the website which will also contain answers to frequently asked questions (FAQs).

Extract of website FAQs
- How does the Fleet Academy rental scheme work?
- What is the minimum rental term?

A manager is needed to run the department. The company is offering a salary of £30 000 a year. The manager will need a sales background and ideally have some knowledge of how rental businesses operate. Parents interested in the scheme will contact the manager who will provide advice on the correct size and style of bike for the child. The rental bike will then be manufactured based on this. If there are any problems with the size of the bike the company will guarantee to exchange it within 48 hours.

The managing director has contacted a recruitment agency. For a fee of 20% of the first year's salary it would find the most suitable candidate in four weeks. Brian, a highly successful salesman of adult bikes, has worked for Fleet Bikes Ltd for five years. He is keen to stay with the business and has shown an interest in the manager's job; however he has no knowledge of children's bikes.

Once the manager is appointed, two new administration employees will be recruited. Their jobs will be to deal with rental agreements, ordering of bikes from the factory and collecting payments. All new employees will receive one day of induction training before they start their jobs.

0 2 . 5 State **two** benefits of induction training.

[2 marks]

Benefit 1 _____

_____

_____

Benefit 2 _____

_____

_____

Do not write outside the box

0 2 . 6 Analyse **one** method Fleet Academy will use to provide good customer service for the rental of children's bikes.

[6 marks]

Question 2 continues on the next page

Do not write outside the box

0 2 . 7 The managing director is considering using a recruitment agency to find a suitable applicant for the manager's role from outside the business.

Recommend whether or not external recruitment is a good idea for this role.

Give reasons for your answer.

[9 marks]

Extra space

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Turn over for Section C

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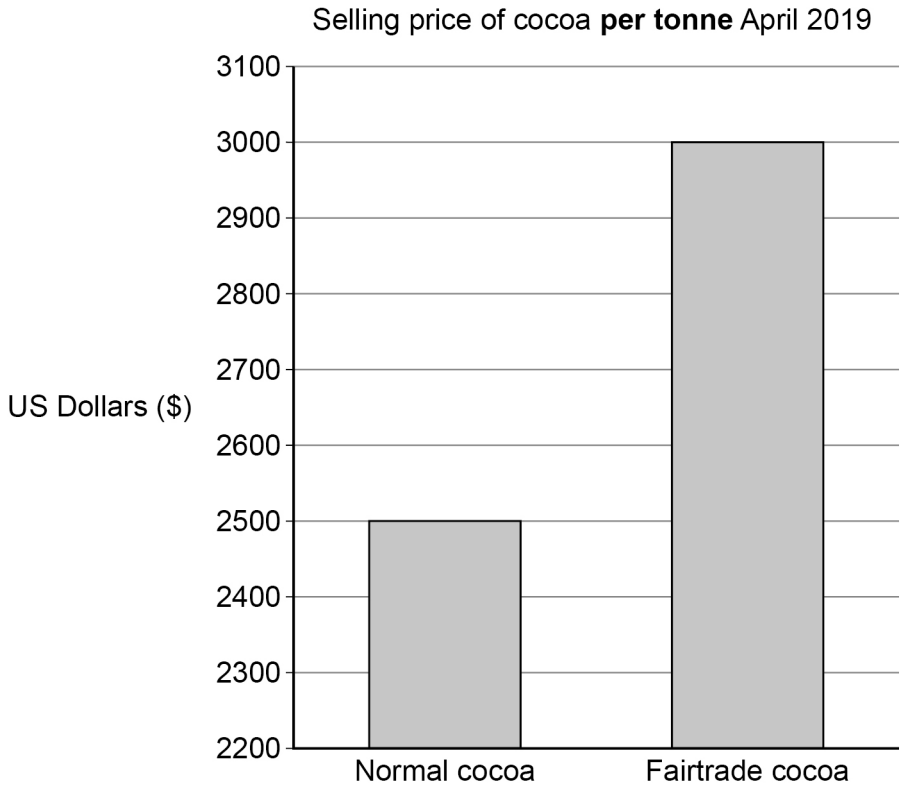
Section C

Answer **all** questions in the spaces provided.

0 3 **Item C: Thorntons Chocolate**

Thorntons Ltd is a British chocolate making business which is part of a larger company. Thorntons sells its chocolate products in stores. Boxes of handmade chocolates sell for a minimum of £6. Employees are trained to personalise some products, such as adding a name to Easter eggs, to add a touch of luxury.

Two of Thorntons' ingredients are cocoa and palm oil. A Fairtrade agreement for cocoa guarantees a higher price for Fairtrade farmers above the normal market price at which it can be sold.



The company wants to behave ethically. When its supplier of palm oil cut down too many trees and had a negative impact on the environment, it found a new supplier in South East Asia.

Information from the Thorntons website

Thorntons supports human rights. It wants to ensure working conditions are safe and its supply chain pays a living wage to workers in all countries.
It has set an objective to double the amount of cocoa it purchases from Fairtrade farmers.

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0 3 . 1 Explain **one** benefit of maintaining quality for Thorntons when producing chocolate.

[2 marks]

0 3 . 2 Use the information in the graph to calculate how much **more** the Fairtrade cocoa price was above the 'normal' cocoa price in April 2019.

Show your workings.

[2 marks]

Workings:

Answer $

0 3 . 3 Assume Thorntons purchased 20 tonnes of normal cocoa per day in April 2019.

If there were 30 working days in April, calculate the monthly increase in costs if Fairtrade cocoa had been purchased.

Show your workings.

[3 marks]

Workings:

Answer $

Question 3 continues on the next page

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0 3 . 4 Analyse **one** factor that will influence the choice of suppliers for Thorntons.

[6 marks]

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Item D: Thorntons Chocolate

Thorntons Ltd requires a sales assistant for one of its shops. A job advertisement was placed on its website with the following information.

Sales Assistant required

– Pay up to £8 per hour depending on age and experience.

- You will be given daily targets for sales of products.
- You will ensure every customer is welcomed when they arrive in store and help them to find the perfect gift or treat for themselves!
- You will bring the brand alive through your customer service and your product knowledge.

0 3 . 5 State **two** benefits for a business of having motivated employees.

[2 marks]

Benefit 1 _____

_____

_____

Benefit 2 _____

_____

_____

0 3 . 6 Explain how the recruitment process of the sales assistant has been affected by employment law, such as the Equality Act.

[2 marks]

_____

_____

_____

_____

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0 3 . 7 In addition to an hourly rate of pay many other businesses offer commission to their sales assistants.

Analyse **one** benefit for Thorntons if it was to offer commission to its new sales assistant.

[6 marks]

Question 3 continues on the next page

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Item E: Thorntons Chocolate

Thorntons' chocolates are made at its factory in Derbyshire. It employs experienced and highly skilled chocolate makers to design products and oversee production. It has approximately 200 stores throughout the UK.

At its store in Derby, Thorntons has successfully introduced job production where a chocolate maker shows customers how the delicious treats are made. Unique premium products can be made to order exactly as the customer requests. The store in Derby was chosen as it has lots of space for the production equipment. It is located near to the factory and each day a chocolate maker from there is selected to be sent to the store.

Thorntons offer franchising, called 'Thorntons In Your Store'. The franchise is offered to existing business owners, such as card shops, who allocate space to sell Thorntons' products. The franchise fee is £1000 for five years with the buyer paying for the fixtures and fittings needed. Predicted sales are between £80 000 and £250 000. To support the business owners Thorntons offer training and help with sales and customer service.

People in the UK like chocolate, but they're eating less. The value of UK chocolate sales is growing but the amount of chocolate sold is falling. Customers are now buying chocolate as a treat. A third of British chocolate buyers splash out on premium products.

0 3 . 8 Thorntons want to increase sales and are considering **two** options in the UK to achieve this.

Recommend if Thorntons should expand by:

- introducing job production in most of its existing stores within the next five years **or**
- offering more 'Thorntons In Your Store' franchising.

Analyse the effect of **each** of these two options on Thorntons' sales.

Evaluate which of these two options will have the biggest impact on Thorntons' sales.

[12 marks]

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END OF QUESTIONS

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