AQA

Please write clearly in block capitals.

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I declare this is my own work.

GCSE
BUSINESS

Paper 1 Influences of operations and HRM on business activity

Thursday 18 May 2023 Afternoon 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.
- If you need extra space for your answer(s), use the lined pages at the end of this book. Write the question number against your answer(s).
- 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	
Question	Mark
A	
B	
C	
TOTAL	

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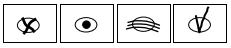
Section A

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

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

For each question 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 Which of the following is true for a public limited company?

[1 mark]

A It can issue shares. ⬭

B It does not have profit as an objective. ⬭

C It is owned by the government. ⬭

D Its owner(s) have unlimited liability. ⬭

0 1 . 2 Which of the following costs is an example of a variable cost?

[1 mark]

A Advertising ⬭

B Interest ⬭

C Packaging ⬭

D Rent ⬭



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0 1 . 3 Which of the following statements describes job production?

[1 mark]

A An employee focuses on a limited number of tasks. ⬭

B Each employee is given an individual task. ⬭

C Items are produced individually to meet the exact requirements of a customer. ⬭

D The business aims to complete each task with minimum waste. ⬭

0 1 . 4 If an employee changes from full-time employment to job sharing, which of the following is true?

[1 mark]

A They keep their current salary. ⬭

B They keep the same job role along with someone else. ⬭

C They work their current number of hours each week. ⬭

D They work their current start and finish times each day. ⬭

0 1 . 5 Which of the following is likely to be an effect of delayering in an organisation?

[1 mark]

A Decrease in delegation. ⬭

B Decrease span of control. ⬭

C Improved staff communication. ⬭

D Improved staff loyalty. ⬭

Question 1 continues on the next page

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0 1 . 6 Which statement is most likely to be correct when interest rates rise?

[1 mark]

A Businesses increase their expansion plans. ⬭

B Businesses need to reduce production to match sales. ⬭

C Consumer spending rises so businesses will employ more staff. ⬭

D Demand of luxury and non-essential products rise. ⬭

0 1 . 7 Identify **two** stakeholders of a business.

[2 marks]

1 _____

_____

2 _____

_____

0 1 . 8 Explain **one** cost of maintaining quality during the production of a product.

[2 marks]

_____

_____

_____

_____

0 1 . 9 Explain **one** disadvantage to a business of poor customer service.

[2 marks]

_____

_____

_____

_____

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0 1 . 10 Describe **one** characteristic of an entrepreneur.

[2 marks]

0 1 . 11 Explain what is meant by 'induction training'.

[2 marks]

0 1 . 12 State and explain **two** financial methods of rewarding employees.

[4 marks]

Method 1

Method 2

20

Turn over for Section B

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Section B

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

0 2 **Item A: Xanthe's Tech-Academy**

Xanthe's Tech-Academy (XTA) is a company that sells off the job training to other businesses, and courses for individuals to improve their IT skills. It has a reputation for high quality classroom-based IT courses where attendees gain a certificate. It has a very small training facility in the centre of Manchester which only allows for up to 20 individuals to train each day. Courses range in length from one to three days and prices start at £100 per day for attendees. It operates in a competitive market. XTA's customers are locally based. Many of its business customers are cutting back on training to save costs.

Many people are increasingly working from home, and the owner Xanthe is considering expanding the business to target this new market segment. She would like to introduce a new online training course called 'Using Web Conferencing Effectively'. The course will be run by employees working from home and offered in the evenings to anyone in the UK who has access to the internet and a device with a webcam.

Table 1: Costs for new course 'Using Web Conferencing Effectively'

Wages (per hour per trainer)	£15
XTA other costs for running new course (per trainee)	£5

0 2 . 1 Explain what is meant by 'off the job' training.

[2 marks]

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0 2 . 2 Xanthe has set a target to make 200% profit on top of costs each time the new course is run.

Two trainers will run the four-hour course with 30 people attending.

Using **Table 1** calculate the selling price per person.

[5 marks]

Question 2 continues on the next page

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0 2 . 3 Xanthe believes increasing the range of courses offered will keep the business competitive.

Recommend whether XTA should introduce the new course 'Using Web Conferencing Effectively'. Give reasons for your answer.

[9 marks]

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Question 2 continues on the next page

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Item B: Xanthe's Tech-Academy

After the successful expansion into online learning courses, Xanthe has recruited five new employees to help meet demand. Currently XTA has a flat organisational structure, with Xanthe managing all 22 employees.

Xanthe likes to get to know all the employees and uses delegation to give employees greater levels of responsibility. For example, employees have been given responsibility to design new courses. Staff retention is high and XTA has a number of employees who have worked for the business for many years. Customers often comment on the excellent levels of customer service. The five new employees have been trained to a high level, however some mistakes have been made on a course which they were involved with. Xanthe was not working when the mistakes occurred and has received several complaints from customers.

Xanthe is considering adding levels of hierarchy within the business to create a taller organisational structure. This will involve adding the roles shown in the table below. All jobs will be recruited internally and there will be an increased salary for the responsibility.

Table 2: New roles to be created

Roles	Who they will report to	Responsibilities
1 x Assistant manager (classroom courses) 1 x Assistant manager (online courses)	Xanthe	Developing courses. Effectively marketing and selling. Staff training.
1 x Supervisor (classroom courses) 1 x Supervisor (online courses)	Assistant managers	Day to day running of the courses. Stand in for assistant managers when they are absent. Monitor junior staff.

0 2 . 4 Explain **one** benefit of internal recruitment.

[2 marks]

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0 2 . 5 Xanthe uses delegation to give employees greater levels of responsibility.

Analyse **one** benefit to XTA of using delegation to motivate employees.

[6 marks]

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Question 2 continues on the next page

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0 2 . 6 Xanthe involves her employees in some decision making but she makes all major decisions herself.

Recommend whether Xanthe should create a taller organisational structure.
Give reasons for your choice.

[9 marks]

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33

Turn over for Section C

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Section C

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

0 3 **Item C: NIST cars**

NIST is a car manufacturer which has one of its factories in the UK. All of the cars made there are sold in the UK and Europe.

The factory uses flow production. Employees are specialists, trained in one specific role of the production process. All the employees have responsibility for checking if faults exist. Employees are trained to check their work thoroughly. Mistakes must be identified before a car moves to the next stage of production. The total production of a car takes 28 hours.

The factory in the UK recently won an award for being 'The UK manufacturer of the year'. Quality standards are exceptionally high. In the last five years every car has reached the end of the production process without a fault present.

Recently the business has experienced issues with car parts. A supplier providing engine parts to NIST had to shut down for a day. As a result, NIST had to halt production of its cars for several hours. NIST orders parts from suppliers when a customer orders a car. Many suppliers are near to the factory. Some suppliers will deliver parts in less than two hours and there are frequent small deliveries throughout the day. The production of a car relies on parts arriving precisely when they are needed.

Table 3: Electric cars and changes in exchange rates

	March 2019	**March 2020**
Selling price of electric car	£20 000	£20 000
Number of cars sold in Europe	20 000	25 000
Exchange rate: pound to Euro	£1 = €1.10	£1 = €1.07
Costs in Euros to purchase car	€22 000	€21 400

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0 3 . 1 Identify **one** sector of production.

[1 mark]

0 3 . 2 Using **Table 3**, explain **one** benefit for NIST of a fall in the value of the pound when selling cars in Europe.

[4 marks]

Question 3 continues on the next page

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0 3 . 3 NIST orders parts from suppliers when a customer orders a car.

Analyse **one** drawback to NIST of using just-in-time (JIT) stock control for parts needed to produce its cars.

[6 marks]

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0 3 . 4 In the last five years every car has reached the end of the production process without a fault present.

Analyse **one** benefit of using total quality management (TQM) to maintain standards in the production of cars at the NIST UK factory.

[6 marks]

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Question 3 continues on the next page

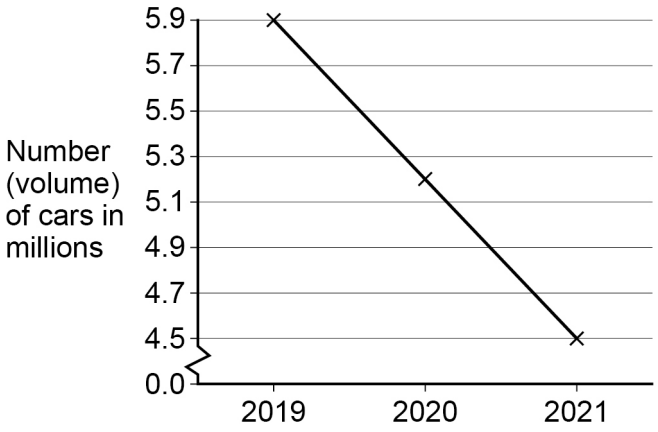
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Item D: NIST cars

NIST sells its cars worldwide. The world experienced a fall in economic activity in 2020 and 2021. Many countries experienced huge rises in unemployment and new car sales fell dramatically. Many consumers bought used cars rather than brand new ones.

NIST expects its fixed costs and production costs will remain the same in 2022 but using **Figure 1** it is forecasting a fall in its profits.

Figure 1: Global sales for NIST new cars



0 3 . 5 Using the data in **Figure 1**, describe what happened to global car sales from 2019 to 2021.

[2 marks]

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0 3 . 6 NIST used the graph to help forecast its profits for 2022.

Explain how information from **Figure 1** may have helped NIST forecast that profits will fall in 2022.

[2 marks]

0 3 . 7 Using **Item D**, explain how global demand for new cars may be affected by changes in levels of employment around the world in 2020 and 2021.

[4 marks]

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Item E: NIST cars

Electric cars help with reducing air pollution and there has been an increase in demand for this type of car as there has been growing concern about the environment. Europe has seen a huge rise in sales of electric cars. NIST has one model of electric car called the Folio. The Folio is the UK's market leader. In Europe, however, sales of the Folio model have been disappointing. NIST has now designed a new electric model called the NIST March, which is aimed at the European market and will be produced in its factory in Spain.

The Folio is made in the UK factory which has the highest record for quality standards and efficiency of all NIST factories. Electric engines are made in Europe, which means the engines for the Folio have to be imported into the UK. The fall in the value of the pound has made imports more expensive. Transportation costs for cars sold from the UK in Europe have also risen.

Large cities in the UK are introducing a daily fee for cars entering the city; electric cars are not charged this fee. This has opened up a new possible market to sell electric cars to businesses who will be affected by this daily charge such as taxi companies.

NIST will create an e-commerce website aiming to sell to businesses in the UK. Cars can be ordered in large quantities and can be delivered anywhere in the UK direct to the business customer. Technology will be used to show features of cars using videos with a virtual test drive. The selling price will be lower than in car showrooms if customers order more than one car. Delivery is included in the selling price.

0 3 . 8 In the current economic climate, the selling price for a car cannot be increased. To improve profits NIST must sell more cars next year. To increase the number of cars sold NIST will be using these **two** options:

1. Produce the new electric car, the NIST March, at its factory in Spain.
2. Set up an e-commerce website to sell the existing Folio electric car to businesses in the UK.

Analyse the effect of **each** of these **two** options for NIST.

Evaluate which of these **two** options will have the biggest impact on the number of cars sold by NIST.

[12 marks]

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