

FOR OFFICIAL USE

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Total

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X234/10/01

NATIONAL WEDNESDAY, 30 MAY
QUALIFICATIONS 9.00 AM – 10.15 AM
2012

BUSINESS
MANAGEMENT
INTERMEDIATE 1

Fill in these boxes and read what is printed below.

Full name of centre

--

Town

--

Forename(s)

--

Surname

--

Date of birth

Day Month Year

--	--	--	--	--	--

Scottish candidate number

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Number of seat

--

50 marks are allocated to this paper.

25 marks for Section **One** and 25 marks for Section **Two**.

Read each question carefully.

Attempt **all** the questions.

All answers are to be written in **this** answer book.

Do **not** write in the margins.

Before leaving the examination room you must give this book to the Invigilator. If you do not, you may lose all the marks for this paper.



SECTION ONE

This section should take you approximately 35 minutes.

Read the following passage and then answer the questions on *Pages three to nine* of the question paper.

SAVING GARMENTS BY GIVING THEM THE CHOP!

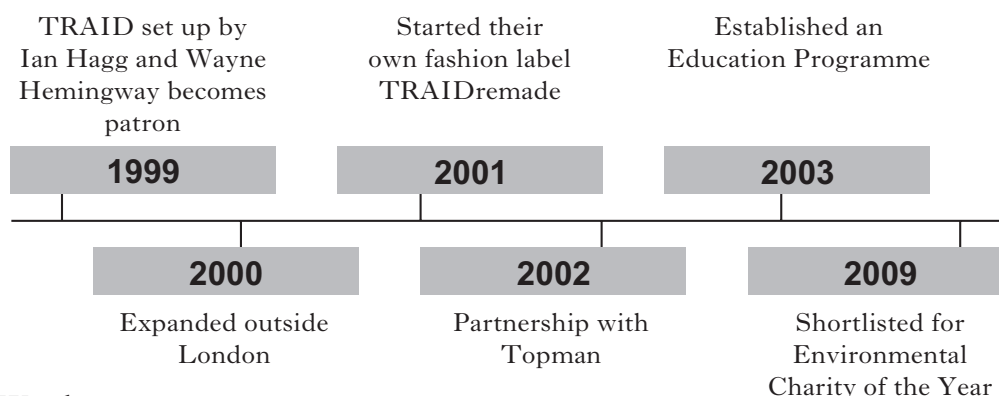
Background

TRAID, (Textile Recycling for Aid and International Development) is a charity which was set up in 1999. Originally it was based only in London. It works to make Britain's unwanted clothes and shoes important by re-using and recycling them. It stops clothes from going to landfill sites by providing textile recycling banks. The money raised supports many different types of projects.



In 1999 Wayne Hemingway, founder of Red or Dead and famous for his love of second-hand clothes, agreed to become TRAIID's patron. He supports the organisation by attending many events and giving interviews.

TRAID Timeline



How it Works

TRAID operates more than 900 textile recycling banks across the UK. Clothing donated to TRAIID recycling banks is transported to a central warehouse and sorted by hand according to quality and style. The clothing is then sold back to the public in one of TRAIID's charity shops. Clothing that is torn or stained is remade and redesigned into new one-off pieces and sold under the award-winning recycled fashion label, TRAIIDremade. These clothes can be bought in Topman, TRAIID charity shops and through the TRAIID website.

The money that is raised is used to expand TRAIID's recycling activities and is also donated to overseas development projects, for example The Pakistan Floods Appeal.

TRAID Education Programme

TRAID provides classroom activities and works with hundreds of youngsters each year to raise awareness of ethical issues and climate change. They also run popular workshops for schools on how to customise clothes you already own in order to reduce, re-use and recycle.

Adapted from: www.traid.org.uk
www.ecofashionworld.co.uk

and <http://www.metro.co.uk/lifestyle/640202-diy-fashion-tips-for-the-cash-strapped>

QUESTIONS

Marks

Answer ALL the questions.

1. TR Aid is a charity.

(a) Give 2 suitable objectives of a charity.

Objective 1 _____

Objective 2 _____

2

(b) **Other** than selling remade clothes, describe 2 ways TR Aid could raise funds.

1 _____

2 _____

2

[Turn over

Marks

2. Charities are one type of business organisation.
Identify and describe **3** other types of business organisation.

<i>Type of Business Organisation</i>	<i>Description</i>

6

Marks

3. TRAIIDremade clothes can be purchased from their website.

(a) Describe 2 advantages to an organisation and 2 advantages to the customer of online shopping.

	<i>Advantage 1</i>	<i>Advantage 2</i>
Organisation		
Customer		

4

Marks

4. TRAIDremade use job and batch production methods.

(a) Describe Job Production and Batch Production.

	<i>Description</i>
Job Production	
Batch Production	

2

(b) Give **one** advantage of Job Production.

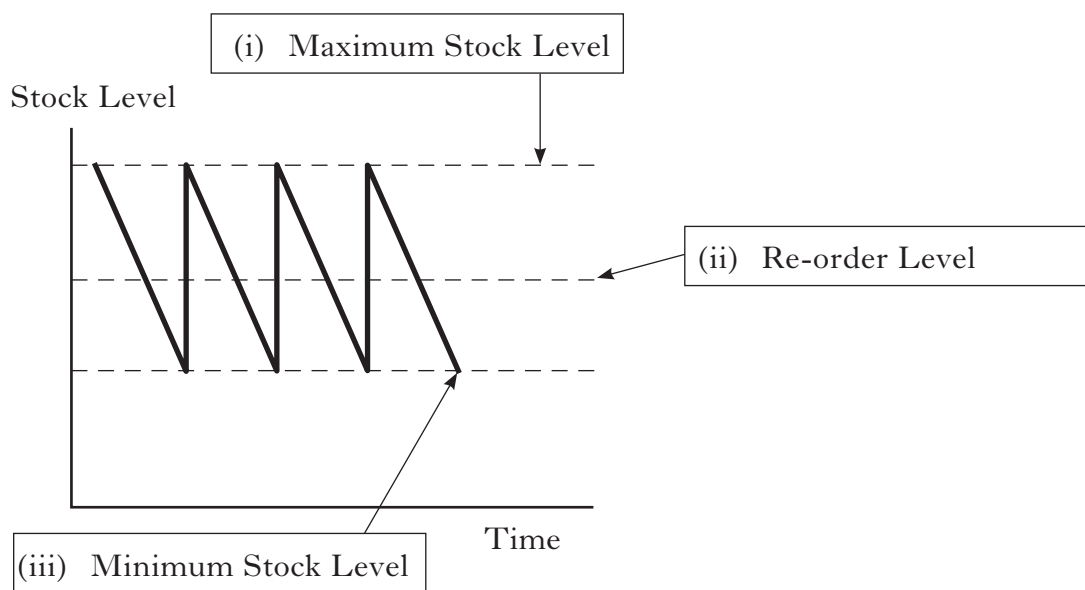
1

(c) Give **one** advantage of Batch Production.

1

Marks

5. Stock control is very important to all organisations.



Define the terms shown in the stock control diagram above.

	<i>Definition</i>
(i) Maximum Stock Level	
(ii) Re-order Level	
(iii) Minimum Stock Level	

3

Marks

6. All businesses are affected by changes in the business environment.

(a) Identify an external factor that could affect TRAIID.

1

(b) Describe how the factor identified in 6(a) affects an organisation.

1

(25)

[END OF SECTION ONE]

[Turn over

SECTION TWO

This section should take you approximately 35 minutes.

Read the following passage and then answer the questions on *Pages eleven to fifteen* of the question paper.

Firm Fired Up By Dragons' Words of Advice

Tree of Knowledge (TOK) is a company that was set up to provide exciting new services to support children and adults. TOK's aim is to help them become more enterprising in both their education and personal development.



TOK provide goods and services for both schools and businesses to help improve motivation. It wants to “put fun back into schools and workplaces all over the UK”.

One of the resources that it offers to schools is called the Apodo System. It is a gadget that includes approximately 100 interactive activities that can be used in the classroom. Some of the things that are included are skipping ropes, blindfolds, jigsaws and tumbling towers to name a few. The Apodo is used to add excitement and enterprise to lessons.

Directors of TOK appeared on the popular BBC 2 show, *Dragons' Den*, asking the dragons for £100,000 in return for a 10% share of their business. It is mainly Scottish schools that use TOK's products and services. However TOK wanted the dragons' help and investment as it prepares to expand into the English education and business markets.

After more than two hours' filming, they failed to clinch a deal. One dragon said he'd be unhappy taking a big chunk of the business in return for his investment. Basically, what the dragon was saying was that TOK would get along fine without his money and without giving up a large share in the firm.

Managing Director of TOK, Gavin Oattes, who lives in Edinburgh, said “We take tremendous encouragement from that, and the fact that Peter Jones said we were probably the best in our field he had ever seen.”

Adapted from: Evening News 11 August

www.treeof.co.uk/

and <http://www.thecourier.co.uk/News/Business/article/3764/tree-of-knowledge-chief-heartened-by-dragons-den-experience.html>

QUESTIONS*Marks***Answer ALL the questions.**

1. The founders of TOK combine the factors of production.
Identify and describe **2** factors of production.

<i>Factor of production</i>	<i>Description</i>

4**[Turn over**

Marks

2. To expand into the English education market TOK might employ more staff.

(a) Outline 4 steps in the recruitment process.

1 _____

2 _____

3 _____

4 _____

4

(b) Identify the type of training given to new staff.

1

(c) All organisations keep records of the staff that they employ.

Other than name and address, list 3 pieces of information that would be contained in staff records.

1 _____

2 _____

3 _____

3

Marks

3. (a) TOK regularly carries out market research.

(i) Identify **2** methods of field research.

Method 1 _____

Method 2 _____

2

(ii) Describe a **different** advantage of each method identified in (a)(i).

Advantage of Method 1

Advantage of Method 2

2

(b) Suggest **2 different** methods of sales promotion that TOK could use.

1 _____




2 _____

2

[Turn over

Marks

4. (a) Describe a **different** benefit of using each of the following types of information.

<i>Type of Information</i>	<i>Benefit</i>
<p>Graphical</p>  <p>Lemon Pie Sales</p> <p>Jan Feb Mar Apr May Jun</p>	
<p>Oral</p> 	
<p>Written</p> 	

3

Marks



4. (continued)

(b) Define the following 2 financial terms.

<i>Financial Term</i>	<i>Definition</i>
Creditors	
Net Profit	

2

(c) Describe how a business would use each of the following software packages.

<i>Software Package</i>	<i>Business Use</i>
Spreadsheet package 	
Database package 	

2

(25)

[END OF SECTION TWO]

[END OF QUESTION PAPER]

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3		6
4		4
5		3
6		2
Section Two		
1		4
2		8
3		6
4		7

ACKNOWLEDGEMENTS

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