

4200/31/01

NATIONAL THURSDAY, 23 MAY
QUALIFICATIONS 1.00 PM – 2.30 PM
2013

BUSINESS
MANAGEMENT
STANDARD GRADE
Credit Level

- 1 Read each question carefully.
- 2 Attempt **all** the questions.
- 3 All answers are to be written in the answer book provided.



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1.



NAIRN'S LIMITED

Nairn's Ltd is based in Edinburgh and has been making oatcakes since 1888. The Nairn's range of food is naturally wholesome and nutritious.

Nairn's now sell their products all over the world becoming a global brand. Rising food prices have increased the cost of the main raw materials by over 10%. Nairn's have increased new product development and marketing to increase sales to cope with rising costs.

- | | |
|--|----------|
| (a) Identify the type of business organisation that Nairn's Ltd operates. Describe 2 advantages of this type of business organisation. | 3 |
| (b) Explain what is meant by the term brand. Describe 2 benefits to a business of establishing a successful brand. | 3 |
| (c) Suggest 3 problems that Nairn's could face in selling their products globally. | 3 |
| (d) Suggest 2 methods of advertising Nairn's Ltd could use to attract customers to buy their products. Give 2 different justifications for your suggestions. | 4 |
| (e) Identify 3 stages in new product development Nairn's Ltd would follow before launching a new product onto the market. | 3 |

[Turn over

2.

The BBC and the National Union of Journalists have reached an agreement to resolve a dispute with staff.

The two sides met with the conciliation service ACAS and afterwards a conclusion had been reached on how to resolve the dispute.

BBC staff had held two days of strikes over the issue.



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|--|---|---|
| (a) Describe the role of ACAS in industrial disputes. | 2 | |
| (b) Describe possible consequences to the BBC of the employees taking strike action. | | 2 |
| (c) Other than strike, identify 2 forms of industrial action. | 2 | |
| (d) (i) Identify and describe a management style that could be adopted at the BBC to improve relations with employees. | | 2 |
| (ii) Suggest other ways in which a business could motivate employees. | 3 | |
| (e) The BBC is a public sector organisation. Give 2 features of a public sector organisation. | 2 | |

3.

Bartosz and Dominika Kowalski opened a Polish Deli and cafe. They carried out market research before deciding on a location in a shopping centre. The business has been a great success, even though the UK economy has been affected by a slow down in the Business Cycle.



- (a) Other than helping with choosing a location, describe **2** benefits of carrying out market research. 2
- (b) Give **3** reasons why Bartosz and Dominika may have chosen the shopping centre as a location. 3
- (c)
 - (i) Other than Bartosz and Dominika, identify **3** stakeholders who may have an interest in their business. 3
 - (ii) Describe how these stakeholders can influence decision making in the business. 3
- (d) Other than a “slow down”, identify and describe **one** other stage of the Business Cycle. 2
- (e) Suggest **4** possible reasons why the business has been a success despite the economic slow down. 4

[Turn over

4.



Audrey Carroll and Louise Derrek are partners in Rainbow—a graphic design business. They used Ratio Analysis to investigate the Final Accounts of their business. They are keen to increase their range of services and are investigating the finances before deciding how to expand the business. By comparing the figures over the last 3 years they have produced the following information:

	2011	2012	2013
GROSS PROFIT RATIO	44%	42%	40%
NET PROFIT RATIO	30%	29%	27%
CURRENT RATIO	2.2:1	2:1	1.8:1

- (a) Give **one** advantage and **one** disadvantage of operating as a partnership. 2
- (b) (i) State the formula for the following ratios:
- Gross Profit Ratio
 - Current Ratio 2
- (ii) Suggest measures that can be taken to improve the Net Profit Ratio. 2
- (c) Give **one** problem of using ratios to analyse Final Accounts. 1
- (d) Identify the software application that is used in preparing financial information. Justify **2** benefits of using this software. 3
- (e) Suggest and describe a suitable method of growth that could help Audrey and Louise to expand their business. 2

5.

Cameron House is a 5* Hotel Resort on the banks of Loch Lomond, the gateway to the Scottish Highlands. It has won many awards for the quality of service it provides to guests. This includes a hotel, luxury lodges, a golf course, spa and leisure centre, luxury rooms and top quality restaurants serving local produce.



It is also a favourite venue for weddings and the hotel is booked most weekends in the year for these events—a Wedding Co-ordinator is employed at the hotel. All wedding client detail records are stored on a database.

- | | | |
|---|---|---|
| (a) Suggest and justify a suitable market segment that Cameron House could target. | | 2 |
| (b) From the case study, identify services Cameron House offers to its customers. | | 3 |
| (c) Give 3 ways in which a business can measure customer satisfaction. | 3 | |
| (d) Describe 2 benefits to the local community of a business such as Cameron House locating in the area. | 2 | |
| (e) Other than customer details, identify 2 records which Cameron House may store on a database. | | 2 |

[END OF QUESTION PAPER]

ACKNOWLEDGEMENTS

Question 1—Photograph of Nairn's products is reproduced by kind permission of Nairn's Oatcakes Ltd.

Question 2—Photograph of BBC and NUJ strike is taken from **www.pressgazette.co.uk**. Permission is being sought from Press Gazette.

Question 5—Photograph of Cameron House on Loch Lomond is reproduced by kind permission of De Vere Cameron House Hotel.