

4200/403

NATIONAL
QUALIFICATIONS
2009

TUESDAY, 19 MAY
1.00 PM – 2.30 PM

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.



1.



Ford, a multinational company, has been criticised for its failure to respond to market changes over the years. However, a customer feedback survey has shown that the new versions of its leading cars—the Ka, Focus and Mondeo have been welcomed by customers.

All of the cars have been around for over 10 years—and all have reached the “maturity” stage of the Product Life Cycle. The new versions are just one of the ways Ford has managed to successfully extend the life-cycles of its cars.

- (a) Describe **2** benefits of being a multinational company. 2
- (b) (i) Explain the possible consequences to a business of failing to respond to changes in the market. 2
 - (ii) Explain how a customer feedback survey could be useful in the decision making process for a business. 1
- (c) Other than new versions of the product, describe and justify **2** ways in which Ford could extend the Product Life Cycle of its cars. 4
- (d) Suggest and justify **3** ways in which Ford could ensure quality in the production process of its cars. 6

2.

VACANCY

FINANCE MANAGER

CSU Sportswear requires a Finance Manager to run a busy Finance Department for a Scottish chain of 20 branches.

The role will involve:

- preparing Cash Budgets
- preparing Final Accounts
- reviewing monthly performance of branches
- supervising the work of 4 Finance Assistants
- conducting employee appraisals for Finance Assistants


The suitable candidate will have a degree in Finance and at least 2 years experience of working in a similar role.

Please forward your CV
to Mrs Fiona Russell, HR Manager,
CSU Sportswear, Head Office,
20 Argyll Road,
Edinburgh, EH97 8JJ


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| <p>(a) Suggest and justify 2 suitable places this vacancy could be advertised to attract the most suitably qualified candidate.</p> | 4 | |
| <p>(b) (i) Describe the purpose of preparing a Cash Budget.</p> | 2 | |
| <p>(ii) Suggest and justify 2 possible actions that can be taken when problems are identified in the Cash budget.</p> | | 4 |
| <p>(c) Other than a Cash Budget, identify and describe 2 financial statements that are prepared within the Finance Department.</p> | 4 | |
| <p>(d) (i) Describe the purpose of Appraisal.</p> | 2 | |
| <p>(ii) Give 2 benefits to the employee of Appraisal.</p> | | 2 |

[Turn over

3.



The Prince's Scottish Youth Business Trust





A young entrepreneur, backed by the Prince's Scottish Youth Business Trust (PSYBT), won a prize at an awards ceremony celebrating innovation. Paul Sommerville's winning idea is a new type of baby monitor which offers a unique way of monitoring the movement, temperature and breathing of babies while they sleep.

His company worked with a team of Scottish designers to come up with a prototype before going into production. Due to the advanced safety features and modern style of the product, there has been considerable interest from manufacturers and retailers worldwide.

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| (a) | (i) Explain the term "prototype". | 1 | |
| | (ii) Describe 3 stages involved in bringing a new product to market. | 3 | |
| (b) | (i) Describe 2 risks involved in launching a new product. | 2 | |
| | (ii) Suggest how entrepreneurs can reduce risks. | | 2 |
| (c) | (i) Other than the PSYBT suggest 2 ways in which entrepreneurs can get advice in setting up their business. | | 2 |
| | (ii) Explain why the government is keen to support new business start-ups. | 2 | |

4.

	
<p>The Harlequin Restaurants empire started in 1984, when entrepreneurs Charan Gill and his business partner, Gurmail Dhillon purchased the Ashoka West-End Restaurant in Glasgow. Over the next two decades the group grew from strength to strength to become The Harlequin Leisure Group. Harlequin were the first chain of Indian restaurants to introduce a “free-phone-call-centre” to take telephone calls for home deliveries. This has enabled them to build a large database of loyal customers.</p>	
<p>In March 2005 Harlequin was sold to the entrepreneur Sanjay Majhu. Plans for the future include the expansion of Ashoka outlets in various food court sites within shopping malls throughout the UK—including Birmingham, London and Belfast.</p>	

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| (a) Describe the necessary skills and abilities required of an entrepreneur in starting a new business. | 4 | |
| (b) Suggest 2 advantages and 2 disadvantages of forming a partnership. | 4 | |
| (c) Explain 2 benefits to the business of opening outlets in shopping malls. | | 2 |
| (d) Other than using the call centre, suggest and justify 2 ways in which Harlequin can use ICT to gain customers throughout the UK. | | 4 |

[Turn over for Question 5 on Page six

5.



British Airways asked ACAS, the industrial dispute peacemaker, to intervene in the row with cabin crew over pay and working conditions. A representative of the Transport General Workers Union (TGWU) also said that there were complaints from staff over an “aggressive management style” being used in the airline.

British Airways faced a wave of three day strikes after talks broke down.

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| (a) Explain the role of ACAS in settling industrial disputes in a business. | 2 | |
| (b) Describe 3 possible consequences to the business if the employees choose to take strike action. | | 3 |
| (c) Identify and describe a management style that could be adopted at British Airways to improve relations with employees. | 2 | |
| (d) Suggest ways in which British Airways could improve working conditions for their employees. | | 4 |

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