

FOR OFFICIAL USE

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G

KU DM

Total

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**4200/402**

NATIONAL  
QUALIFICATIONS  
2008

FRIDAY, 16 MAY  
10.20 AM – 11.35 AM

BUSINESS  
MANAGEMENT  
STANDARD GRADE  
General Level

Fill in these boxes and read what is printed below.

Full name of centre

Town

Forename(s)

Surname

Date of birth

Day Month Year

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Scottish candidate number

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Number of seat

- 1 Read each question carefully.
- 2 Attempt **all** the questions.
- 3 All answers are to be written in this answer book.
- 4 Do **not** write in the margins.
- 5 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.





Marks

KU	DM
2	
4	
1	
1	

1. (continued)

(d) Walkers Shortbread Ltd uses batch production. Identify **one advantage** and **one disadvantage** of using this method of production.

Advantage \_\_\_\_\_  
\_\_\_\_\_

Disadvantage \_\_\_\_\_  
\_\_\_\_\_

(e) Identify and describe **2** other methods of production.

Method of Production \_\_\_\_\_

Description \_\_\_\_\_  
\_\_\_\_\_

Method of Production \_\_\_\_\_

Description \_\_\_\_\_  
\_\_\_\_\_

(f) State **one benefit** to Walkers Shortbread Ltd of using computerised technology in the production process.

\_\_\_\_\_  
\_\_\_\_\_

(g) Suggest a problem **to the workforce** of the introduction of computerised technology.

\_\_\_\_\_  
\_\_\_\_\_

[Turn over



2. (continued)

- (e) Suggest and justify 2 promotional methods which could be used by Teckno Sales Ltd. Use a different justification for each suggestion.

Suggestion 1 \_\_\_\_\_

\_\_\_\_\_

Justification \_\_\_\_\_

\_\_\_\_\_

Suggestion 2 \_\_\_\_\_

\_\_\_\_\_

Justification \_\_\_\_\_

\_\_\_\_\_

- (f) Teckno Sales Ltd need to find out what their customers want. Suggest a type of market research which they could use. Give one advantage and one disadvantage of this type of market research.

Method \_\_\_\_\_

Advantage \_\_\_\_\_

\_\_\_\_\_

Disadvantage \_\_\_\_\_

\_\_\_\_\_

Marks

KU	DM
----	----

4

1

2

[Turn over

Marks

KU	DM
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3. Balance Sheet of Gillespie Manufacturing Ltd as at 31 December 2007

	£000	£000
<u>Fixed Assets</u>		
Premises		300
Vehicles		100
		<u>400</u>
<u>Current Assets</u>		
Stock	20	
Debtors	50	
Cash	15	
	<u>85</u>	
<u>Current Liabilities</u>		
Creditors	65	
Working Capital		20
		<u>£420</u>
<u>Financed by</u>		
Capital		390
Net Profit		30
		<u>£420</u>

(a) Explain the terms :

Fixed Assets \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Current Assets \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Current Liabilities \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3

**3. (continued)**

<i>Marks</i>	KU	DM
<b>2</b>		
<b>1</b>		
<b>1</b>		

(b) (i) State the formula for calculating Working Capital (Current) ratio.

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(ii) If the Working Capital ratio was too low, suggest **one** way in which it could be improved.

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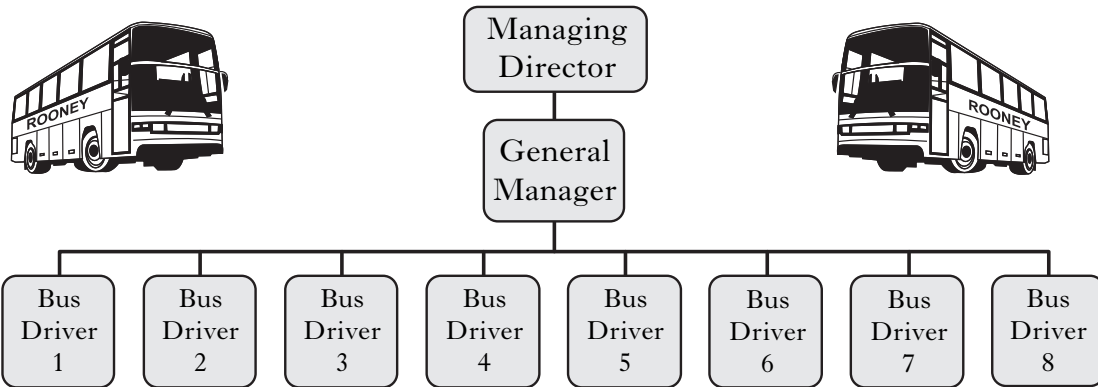
(c) Other than the Balance Sheet, state the final account the net profit will appear in.

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**[Turn over**

Marks

4. Rooney Bus Company Limited operate a flat organisation structure.



(a) State **2** advantages of a flat organisation structure.

- 1 \_\_\_\_\_
- 2 \_\_\_\_\_

2

(b) Identify and describe **another** type of organisation structure.

Organisation Structure \_\_\_\_\_

Description \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2

(c) From the organisation chart above, give an example of a line relationship.

\_\_\_\_\_

\_\_\_\_\_

1

(d) Describe the term **chain of command**.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

1

**[Turn over for Question 5 on *Page ten***

Marks

5. Study the information below and then answer the questions that follow.

Spar is a food chain which operates in a national and multi-national market. It has over 900 different products in its own brand range with 75% of customers preferring to buy Spar brands. Spar recognises the importance of getting the best employees. Recruitment is done both internally and externally. Spar aims to be a good employer.



Adapted from Spar Website

(a) Explain the term **multi-national market**.

\_\_\_\_\_

\_\_\_\_\_

1

(b) State **one** advantage to Spar of having “own brand” labels.

\_\_\_\_\_

\_\_\_\_\_

1

(c) Suggest **2** ways that “own brands” can compete with well known brands.

1 \_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_

2

(d) Explain the terms “internal” and “external” recruitment.

Internal \_\_\_\_\_

\_\_\_\_\_

External \_\_\_\_\_

\_\_\_\_\_

2

	KU	DM
1		
1		
2		
2		

<i>Marks</i>	KU	DM
1		
1		
2		

**5. (continued)**

(e) Suggest **one** way that Spar could recruit externally.

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(f) Suggest a selection process, other than by interview, which Spar could use to recruit staff.

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(g) Suggest **2** ways Spar could be a good employer.

1 

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2 

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**[Turn over**

Marks

KU	DM
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6. Study the information below and then answer the questions that follow.

Dobbies plc has a large number of garden centres in the UK, providing a wide range of gardening and home products. Many customers pay £10 a year to join their gardening club and benefit by receiving discounts and offers. Communication with their customers is important and this is done through their website as well as in the garden centre.



**Adapted from Dobbies website: [www.dobbies.com](http://www.dobbies.com)**

- (a) Give **one** advantage and **one** disadvantage to Dobbies plc of being a public limited company.

Advantage \_\_\_\_\_

\_\_\_\_\_

Disadvantage \_\_\_\_\_

\_\_\_\_\_

2

- (b) Suggest **one** benefit to Dobbies plc of having a gardening club scheme.

\_\_\_\_\_

\_\_\_\_\_

1

- (c) Other than contact details, identify **2** pieces of information which Dobbies plc might have on their website.

1 \_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_

2

Marks	KU	DM
3		
2		
1		

6. (continued)

(d) Suggest 3 ways of making the website more attractive.

1 \_\_\_\_\_

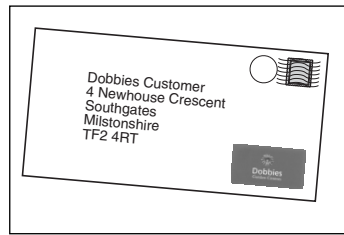
2 \_\_\_\_\_

3 \_\_\_\_\_

(e) Dobbies plc use both formal and informal communication. Study the pictures below then answer the questions that follow.



Picture 1



Picture 2

(i) Identify whether the above pictures are showing a method of formal or informal communication. Insert the word “formal” or “informal” against the picture number below.

Picture 1 \_\_\_\_\_

Picture 2 \_\_\_\_\_

(ii) Suggest **one** benefit of picture 2 as a method of communication.

\_\_\_\_\_

\_\_\_\_\_

[END OF QUESTION PAPER]

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**[BLANK PAGE]**