

FOR OFFICIAL USE

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Total

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NATIONAL QUALIFICATIONS 2014

BUSINESS MANAGEMENT INTERMEDIATE 1



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MONDAY, 19 MAY
1.00 PM – 2.15 PM

X234/10/01

Fill in these boxes and read what is printed below.

Full name of centre

Town

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Forename(s)

Surname

Number of seat

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Date of birth

Day

Month

Year

Scottish candidate number

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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.



* X 2 3 4 1 0 0 1 0 1 *

SECTION ONE

This section should take you approximately 35 minutes.

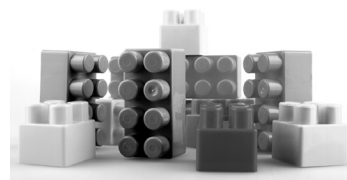
Read the following passage and then answer the questions on *Pages three to eight* of the question paper.

LEGO® From Brick to Brick

The LEGO Group is a family-owned company which was founded in 1932. LEGO is one of the world's leading manufacturers of play materials for children. It employs approximately 9,000 people globally and LEGO products can be purchased in more than 130 countries.

Ideas and product development take place at the company's headquarters in Denmark. There are approximately 4,000 different parts in the LEGO range—plus 58 different LEGO colours. LEGO bricks are manufactured at factories in Denmark, Hungary, Czech Republic and Mexico.

The LEGO Group employs around 120 designers. Its selection process for designers is based on hands-on work and face-to-face interviews.



New Range

In December 2011 the LEGO Group announced the introduction of LEGO Friends, a new play-theme aimed at girls aged 5 and up.

The Friends range, which is set in Heartlake City, features a pastel-coloured beauty salon, fashion design studio and bakery. There are also five mini-dolls that come with handbags, lipsticks and a number of other accessories.



The new range has angered some parents who have said the toy company has made the once gender-free product too girly. LEGO said it had spent years completing market research for the range and added that parents asked had so far given it positive feedback.

<http://aboutus.LEGO.com/en-US/pressroom/default.aspx>
<http://www.dailymail.co.uk/news/article-2083654/Now-theres-LEGO-girls-nearly-challenging-technical-enough.html>



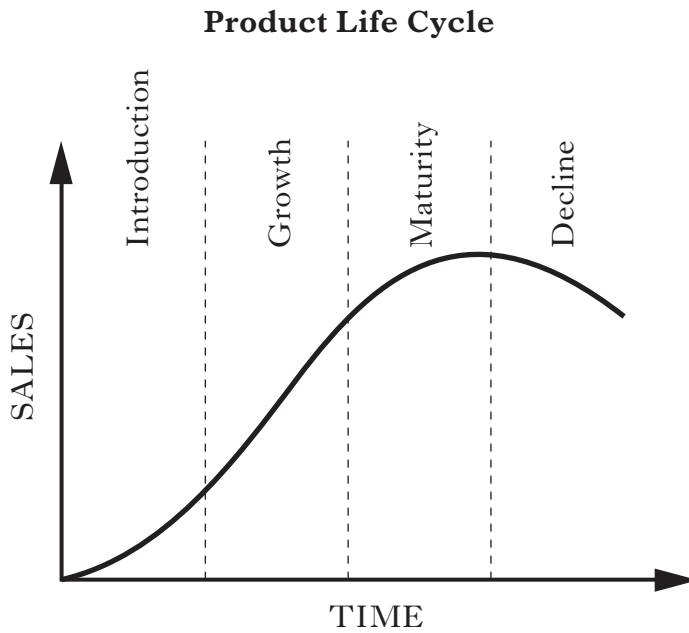
Marks

QUESTIONS

Answer ALL the questions.

1. LEGO regularly brings out new products.

(a) Describe each of the stages shown in the following product life cycle diagram.



<i>Stage</i>	<i>Description</i>
Introduction	
Growth	
Maturity	
Decline	

4



1. (continued)

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Marks

(b) Outline **2** reasons why LEGO introduced the Friends product range.

Reason 1	
Reason 2	

2

(c) LEGO spent years completing market research for the Friends range.

Name and describe **2** methods of market research.

Method 1 _____

Description _____

Method 2 _____

Description _____

4



2. LEGO uses face to face interviews as part of its selection process.

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(a) Suggest 2 other methods it could use to select suitable employees.

Method 1	
Method 2	

2

(b) Organisations pay their employees for the work they carry out.

Describe each of the following payment systems used to calculate wages.

<i>Payment System</i>	<i>Description</i>
Piece Rate	
Group Bonus	

2



Marks

3. A stakeholder has an interest in the success of a business.

(a) (i) Identify **2** stakeholders of LEGO.

Stakeholder 1 _____

Stakeholder 2 _____

2

(ii) Describe a **different** interest for each stakeholder identified in 3(a)(i).

	<i>Interest of Stakeholder</i>
Stakeholder 1	
Stakeholder 2	

2



Marks

3. (continued)

(b) LEGO is in the secondary sector of activity as it manufactures goods.

Describe the following **2** sectors of activity and give an example of each.

<i>Sector</i>	<i>Description</i>	<i>Example</i>
Primary Sector		
Tertiary Sector		

4

[Turn over



Marks

4. Describe 3 ways a business might make use of the Internet.

	<i>Description</i>
Use 1	
Use 2	
Use 3	

3
(25)

[END OF SECTION ONE]



* X 2 3 4 1 0 0 1 0 8 *

[Turn over for SECTION TWO on *Page ten*



SECTION TWO

This section should take you approximately 35 minutes.

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

This passage has been removed due to copyright issues.



Marks

QUESTIONS

Answer ALL the questions.

1.

(a) Describe **2** features of a private limited company.

Feature 1	
Feature 2	

2

(b) Identify the **2** sources of finance in the table below.

<i>Description</i>	<i>Source of Finance</i>
Borrowing specifically for the purchase of property	
Money received from the Government that does not need to be repaid	

2



2.

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Marks

(a) Define the term batch production.

1

(b) Identify and describe 2 other methods of production.

<i>Method</i>	<i>Description</i>

4



3. Managers use information to help make decisions.

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(a) Identify whether the information in the following table is an internal or an external source of information.

<i>Information</i>	<i>Internal/External</i>
Suppliers' price lists	
Sales records	
Newspaper article about a new clothing range	

3

(b) **Other than decision making**, describe 2 uses of information in a business.

Use 1 _____

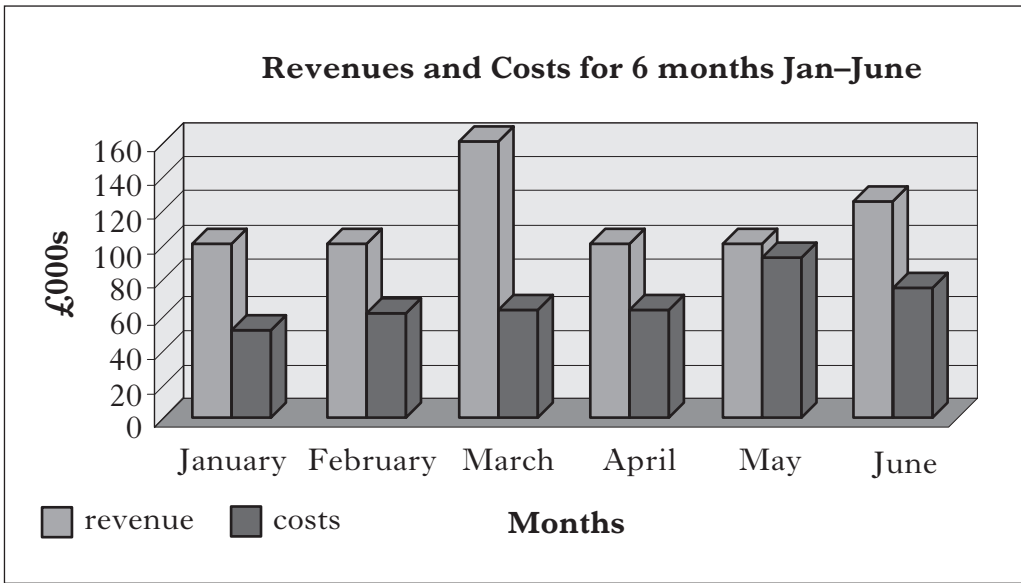
Use 2 _____

2



Marks

4. The diagram below presents information in graphical form.



(a) Identify **2 other** types of information.

Type 1	
Type 2	

2



4. (continued)

(b) The Finance department will prepare financial statements.
Describe each of the following financial statements.

<i>Financial Statement</i>	<i>Description</i>
Trading Account	
Balance Sheet	
Cash Budget	

3

[Turn over



5. Using the table below:

(a) describe the following sectors of business;

(b) state a **different** objective for each of the sectors.

Marks

2

2

<i>Sector</i>	<i>Description</i>	<i>Objective</i>
Public Sector		
Charity		



Marks

6. Organisations must follow laws set by the government.
Name **2** pieces of legislation that organisations must follow.

1 _____

2 _____

2
(25)

[END OF SECTION TWO]

[END OF QUESTION PAPER]



ADDITIONAL SPACE FOR ANSWERS

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ADDITIONAL SPACE FOR ANSWERS

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Section 1—Article is adapted from “Now there’s Lego for girls... but it’s not nearly as challenging or technical enough’ by Pamela Owen, taken from *Daily Mail*, 8 January 2012. Reproduced by kind permission of Daily Mail, Solo Syndication.

Section 1—Two images of Lego products; and article (adapted from **www.aboutus.LEGO.com/en-US/pressroom/default.aspx**). © The LEGO Group, used with permission.

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