



National
Qualifications
SPECIMEN ONLY

SQ04/N5/01

Business Management

Date — Not applicable

Duration — 1 hour and 30 minutes

Total marks — 70

SECTION 1 — 30 marks

Attempt BOTH questions.

SECTION 2 — 40 marks

Attempt ALL questions.

Before attempting the questions you must check that your answer booklet is for the same subject and level as this question paper.

Read all questions carefully before attempting.

On the answer booklet, you must clearly identify the question number you are attempting.

Use blue or black ink.

You may use a calculator.

Before leaving the examination room you must give your answer booklet to the Invigilator.

If you do not, you may lose all the marks for this paper.



* S Q 0 4 N 5 0 1 *

SECTION 1 — 30 marks
Attempt BOTH questions

Palladium Executive Hire

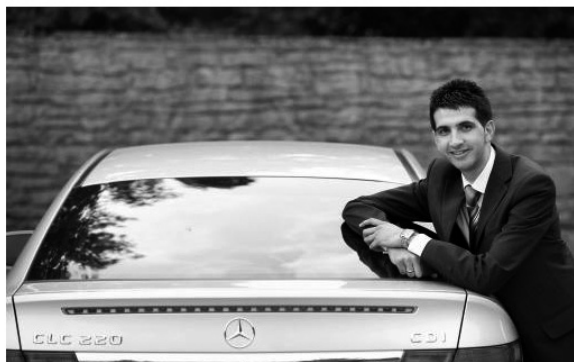
Asif Ali owns Palladium Executive Hire. The business specialises in renting luxury cars, such as the Rolls Royce Phantom and Baby Bentley, at affordable prices.

Asif received financial support from his family and the Prince's Trust Youth Business Scotland (YBS).

The business has an excellent website; this is just one of the ways in which it offers a "first-class service" to its customers. The website enables the business to advertise promotions and special offers with discounts to customers who book online.

Palladium Executive Hire plans to expand and is currently seeking to recruit new staff. The business offers employees good pay and this has resulted in a highly motivated workforce.

Adapted from www.psybt.org.uk/case-study/palladium-executive-hire (December 2012)



Palladium Executive Hire

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You should note that although the following questions are based on the case study above, you will need to make use of knowledge and understanding you have gained whilst studying the Course.

- | | | | | |
|----|-----|---|---|---|
| 1. | (a) | (i) | Give a reason Asif approached YBS for financial support rather than his bank. | 1 |
| | | (ii) | Identify 2 areas of support, other than finance, provided by YBS. | 2 |
| | (b) | From the case study, identify two business aims for Palladium Executive Hire. | | 2 |
| | (c) | Describe how stakeholders, identified in the case study, may influence Palladium Executive Hire. | | 4 |
| | (d) | Asif benefits from a highly motivated workforce.
Outline ways that Asif could motivate his staff, other than pay. | | 2 |
| | (e) | Asif offers a first-class service to his customers.
Describe ways that the business can ensure it maintains a quality service. | | 4 |

Total marks **15**



The Hydro: Scotland's Newest Events Arena

The Hydro is located in Glasgow City Centre and has changed the city's skyline. The building is unusual; diagonally egg-shaped and made of materials that will make it glow.

The arena will seat 12,000 people who will be able to enjoy a host of events, including concerts and sports. The cost of attending an event at The Hydro will depend on a number of factors.

The Hydro is located next to the Scottish Exhibition and Conference Centre and is a few minutes' walk from a railway station, which should limit traffic congestion. Being environmentally friendly is a priority for The Hydro. However, it is also next to a major motorway and this required a 1,600-space car park to be built to accommodate those people travelling by car.

Despite the recession causing tough financial times, a large number of jobs were created. Holding events creates the potential for over £100m to be injected into the local economy each year.

Adapted from www.thehydro.com

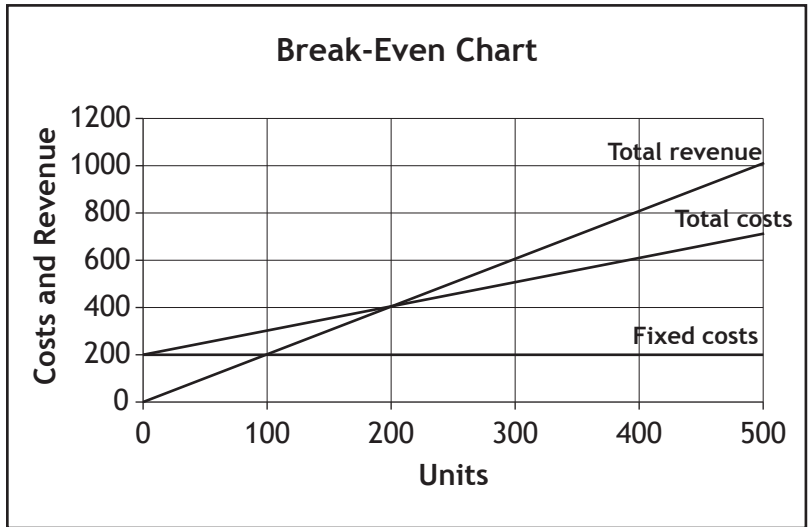
You should note that although the following questions are based on the case study above, you will need to make use of knowledge and understanding you have gained whilst studying the Course.

- | | |
|--|-----------|
| 2. (a) State the sector of industry The Hydro operates in. | 1 |
| (b) Using examples from the case study, describe reasons for The Hydro's choice of location. | 3 |
| (c) Describe reasons why the managers of The Hydro would prepare a cash budget to help them make decisions. | 3 |
| (d) Describe factors that The Hydro will consider before setting prices for tickets. | 3 |
| (e) The case study identifies external factors that may impact on The Hydro.
Outline 3 ways these external factors may impact on The Hydro. | 3 |
| (f) The Hydro has created a number of jobs for the local economy.
Justify a method of selection that The Hydro might use to choose employees. | 2 |
| Total marks | 15 |

SECTION 2 — 40 marks

Attempt ALL questions

- | | | | |
|----|-----|--|-----------|
| 3. | (a) | Introduction is the first stage in the product life cycle.
Identify other stages of the product life cycle. | 3 |
| | (b) | Describe the advantages of branding to an organisation. | 4 |
| | (c) | Compare desk research and field research. | 3 |
| | | Total marks | 10 |
| 4. | (a) | Describe methods of production that could be used by an organisation. | 3 |
| | (b) | Outline 3 factors an organisation would consider when choosing a supplier. | 3 |
| | (c) | Describe the advantages and disadvantages to an organisation of using automation (capital-intensive). | 4 |
| | | Total marks | 10 |
| 5. | (a) | A charity is an example of an organisation that operates in the third sector.
(i) Identify the other sectors of the economy.
(ii) Describe each of the sectors identified in (a)(i). | 4 |
| | (b) | Explain the importance of good customer service. | 2 |
| | (c) | Describe the advantages and disadvantages of setting up in business as a sole trader. | 4 |
| | | Total marks | 10 |



6. (a) (i) From the break-even chart, identify:
- the number of units sold at break-even point
 - total revenue at break-even point.
- 2
- (ii) Calculate the selling price per unit.
- 1
- (iii) Define the term “fixed costs” and give an example of a fixed cost.
- 2
- (b) The finance department of an organisation will use ICT.
Justify the use of a spreadsheet to prepare financial information.
- 3
- (c) Define the following terms found in a profit statement:
- gross profit
 - net profit.
- 2
- Total marks 10**

[END OF SPECIMEN QUESTION PAPER]

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- Section 1 Question 2 The information is adapted from www.thehydro.com. Reproduced by kind permission of Prince's Trust Youth Business Scotland (YBS).