

FOR OFFICIAL USE

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Mark

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NATIONAL QUALIFICATIONS 2015

**BUSINESS MANAGEMENT
INTERMEDIATE 1**

X234/10/01

MONDAY, 11 MAY
1.00 PM – 2.15 PM



* X 2 3 4 1 0 0 1 *

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 nine* of the question paper.



Whaapp Limited

One afternoon Craig Angus was at home and needed to book a taxi to go out for dinner. Being an iPhone user he thought that there must be “an app for that”. However, to his surprise there was nothing available in the App Store.

A month later he was on holiday reading an American business magazine. About 80% of the magazine’s content was on how mobile applications were becoming big business. After speaking with his friends, and with the help of Prince’s Scottish Youth Business Trust (PSYBT) they set up Whaapp Limited with the goal of bringing TaxiApp to market.

TaxiApp will be the first app launched during 2012 that will allow users to instantly book a taxi through their mobile phone. The app will register the user’s location through GPS, alerting registered taxi firms who can then accept the fare and collect the customer directly from their location.

TaxiApp will enable anyone to conveniently book a taxi to pick them up from their current location or order for a different location, 24 hours per day. This reduces the need for users to walk the streets to get a taxi, ultimately helping to maintain people’s safety.

Whaapp will also add a deals section that will allow its customers to find out about offers and vouchers from businesses in their current location or at their taxi drop off point.

In the future Whaapp hopes to build more apps and extend this service to design apps for other companies.



QUESTIONS

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MARGIN

Answer ALL the questions.

1. (a) Outline **2** reasons why Craig and his friends set up Whaapp.

Reason 1	
Reason 2	

2

- (b) Identify **one** type of assistance Whaapp could receive from Prince's Scottish Youth Business Trust.

1



Marks

1. (continued)

- (c) Whaapp Limited aim to meet customers needs and wants.
Define each of the following terms.

Needs	
Wants	

2



Marks

2. (a) Identify 2 methods of field research that could be used by Whaapp.

Field Research Method 1	
Field Research Method 2	

2

- (b) Give a **different** advantage of each method described in 2(a).

<i>Field Research</i>	<i>Advantage</i>
Method 1	
Method 2	

2



Marks

3. Taxi App is in the introduction stage of the product life cycle.
Identify and describe **2 other** stages of the product life cycle.

<i>Stage of Product Life Cycle</i>	<i>Description</i>

4



Marks

4. Whaapp operates in the private sector of the economy.
Identify and describe the **other 2** sectors of the economy.

<i>Sector of Economy</i>	<i>Description</i>

4

[Turn over



Marks

5. Whaapp is a private limited company.

(a) Describe **one** advantage and **one** disadvantage of a private limited company.

Advantage	
Disadvantage	

2

(b) Identify and describe **one other** type of business organisation in the private sector.

<i>Organisation</i>	<i>Description</i>

2



6. Cash budgets are important financial statements.

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MARGIN

(a) Outline 2 reasons for producing a cash budget.

Marks

Reason 1	
Reason 2	

2

(b) Identify and describe **another** financial statement that Whaapp should prepare.

Financial Statement	
Description	

2

(25)

[END OF SECTION ONE]

[Turn over for SECTION TWO on Page ten



* X 2 3 4 1 0 0 1 0 9 *

SECTION TWO

This section should take you approximately 35 minutes.

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

Glasgow-based Shearer Candles Fulfils Burning Ambition

Background



Shearer Candles Ltd is located in Glasgow. It is a family run candle business that was established in 1897. It is now recognised as one of Scotland's leading candle manufacturers with sales of over £3 million a year and employing over 50 people.

Shearer Candles has developed from a small company producing church candles. It now offers a large range of candles including scented candles, jar candles, tea lights and candle accessories. The company supplies leading retailers, hotels, restaurants, supermarket chains and department stores. In 2012 it also won a contract to supply candles to supermarket chain Sainsbury's.

Quality

The company prides itself on delivering high quality candles that contain only the purest and finest ingredients. It is proud to be a member of The British Candlemakers Federation and The Giftware Association. Recently, Shearer Candles was awarded a Grade A certificate, the highest grade achievable by the British Retail Consortium. To maintain its high levels of quality Shearer Candles has invested in expensive new technology.



The Future

The company currently exports candles all over the world and this accounts for about 10% of its sales. Sales are expected to double over the next year.



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

QUESTIONS

Answer ALL the questions.

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Marks

1. Shearer Candles produces a range of candles to public and trade.

(a) Identify and describe a method of production that could be used.

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

2

(b) Shearer Candles holds stocks of raw materials.

Describe a problem of:

(i) holding too much stock;

(ii) holding too little stock.

	<i>Description of Problem</i>
(i) Holding too much stock	
(ii) Holding too little stock	

1

1



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

2. Shearer Candles employs over 50 staff.

Marks

(a) Outline **3** details that could be included in a Job Description.

1 _____

2 _____

3 _____

3

(b) **Other than a Job Description**, identify and describe **2** documents that could be used during the recruitment and selection process.

<i>Document</i>	<i>Description</i>

4

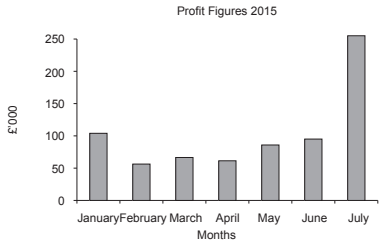
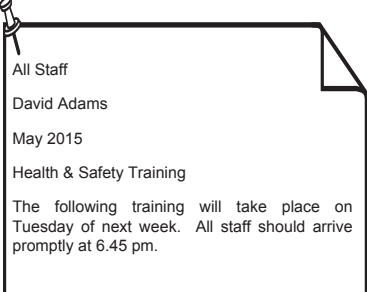


3. Businesses use a variety of software to complete tasks.

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(a) Study the pictures below and then complete the table to identify the software application which could be used.

(A different software application should be given for each task.)

<i>Business Task</i>	<i>Software Application</i>
	
	

2

(b) The information in Q3 (a) is presented in graphical and written form.

Describe an advantage of each of these types of information.

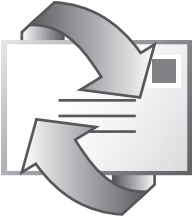

<i>Type of Information</i>	<i>Advantage</i>
Graphical	
Written	

2



4. Developments in ICT have improved communication within organisations.

Give an advantage and disadvantage of each of the following types of ICT.

	<i>Email</i> 	<i>Video conferencing</i> 
Advantage		
Disadvantage		

4



5. Stakeholders have an interest in the success of a business.

Marks DO NOT WRITE IN THIS MARGIN

Complete the blanks in the following table showing the interest and influence of stakeholders.

<i>Stakeholder</i>	<i>Interest</i>	<i>Influence</i>
Shareholders	want good dividends	(i)
Employees	(ii)	work harder
(iii)	receiving prompt payment	putting up their prices

3



6. Shearer Candles has invested in expensive new technology.

Marks

Match up the description with the correct identification of the source of finance that they could have used.

(The first one has been done for you.)

Retained Profit

Finance borrowed for a specific period of time which is repaid with interest.

Government Grant

Profits that are reinvested in the business from previous years.

Bank Loan

A person that invests in a potentially risky business.

Venture Capitalist

Finance that is provided but does not require to be paid back.

3

(25)

[END OF SECTION TWO]

[END OF QUESTION PAPER]



* X 2 3 4 1 0 0 1 1 6 *

ADDITIONAL SPACE FOR ANSWERS



* X 2 3 4 1 0 0 1 1 7 *

ADDITIONAL SPACE FOR ANSWERS



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

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* X 2 3 4 1 0 0 1 1 9 *

Section One		
1		5
2		4
3		4
4		4
5		4
6		4
Section Two		
1		4
2		7
3		4
4		4
5		3
6		3



ACKNOWLEDGEMENTS

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