



National
Qualifications
2018

X810/75/11

Business Management

FRIDAY, 18 MAY

9:00 AM — 11:00 AM

Total marks — 90

SECTION 1 — 40 marks

Attempt BOTH questions.

SECTION 2 — 50 marks

Attempt ALL questions.

Write your answers clearly in the answer booklet provided. In 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.



* X 8 1 0 7 5 1 1 *

SECTION 1 — 40 marks
 Attempt BOTH questions

HelloFresh, founded in 2011, is a global business that is headquartered in Berlin. It aims to transform the way people cook and eat. HelloFresh delivers recipes and ingredients to your door in a chilled box six days a week. It provides all the ingredients you need to cook a meal, already measured out. All you need to have at home is salt, pepper, olive oil and butter. The recipe cards are designed so that a meal can be prepared and cooked in only 30 minutes.



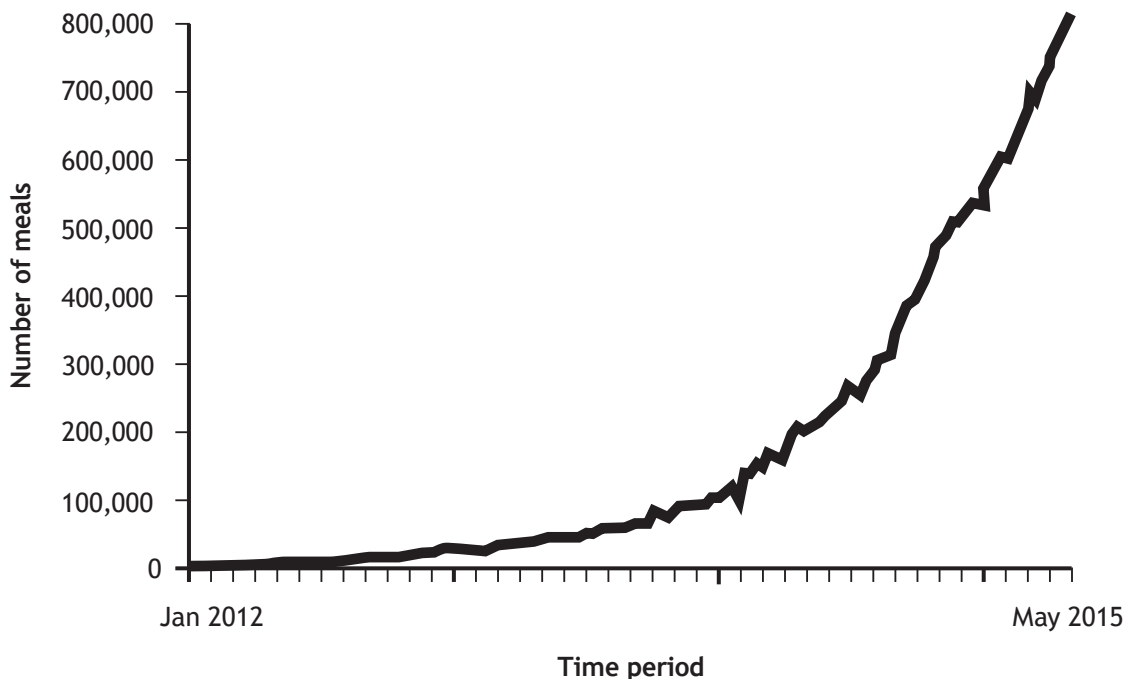
HelloFresh UK, the UK arm of HelloFresh Group, limits packaging and it sources food from local British suppliers to minimise its carbon footprint. All boxes, bags and spice containers are recyclable. The wool liners, which wrap around chilled ingredients, are great for compost. Some inventive people even use the liners as bedding for pets.

HelloFresh sales revenue has grown from £2 million in 2012 to £304 million in 2015.

There is strong competition in the recipe box delivery sector. In addition to HelloFresh there are a number of other companies that operate in the sector, including Gousto and Weight Watchers Smart Kitchen. The following table shows the cost of 3 meals for 2 people from each of the delivery services:

Company	Price per Box	Introductory Offer
HelloFresh	£34.99	50% off first box
Gousto	£29.99	50% off first and second box
Weight Watchers Smart Kitchen	£30.00	None

Number of meals delivered per week
 (January 2012 - May 2015)



The following questions are based on the case study. You will need to make use of knowledge and understanding you have gained whilst studying the course.

- | | |
|---|---|
| 1. (a) (i) From the case study, outline the steps HelloFresh UK is taking to be environmentally friendly. | 2 |
| (ii) Explain the importance to HelloFresh of being environmentally friendly. | 3 |
| (b) (i) From the case study, identify the trend in the recipe box delivery sector. | 1 |
| (ii) Describe the external factors that may have led to the trend identified in 1(b)(i). | 2 |
| (c) Describe the factors that may influence HelloFresh in its choice of supplier. | 4 |
| (d) HelloFresh offers an introductory discount to new customers.
Describe the other methods it could use to promote its business. | 3 |
| (e) Describe the sources of finance that HelloFresh could use to expand. | 5 |

[Turn over



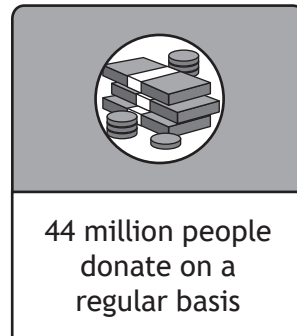
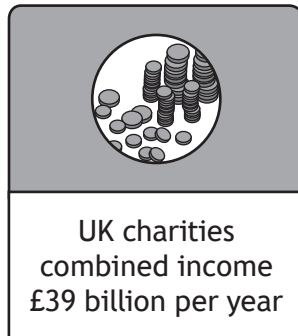
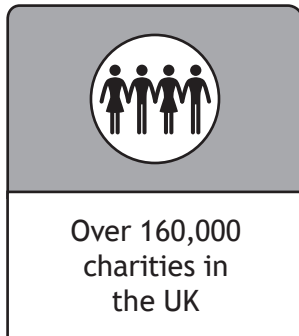
Children's Hospices Across Scotland

Children's Hospices Across Scotland, better known as (CHAS), is Scotland's national children's hospice service for children and young people who have life-shortening conditions for which there is no known cure. They are dedicated to supporting every single one of these families. They make sure that no matter how short the time a family have together, it is filled with happiness and fun. They help parents to celebrate the lives of their children while they are together, and to honour their memory when they are gone.

CHAS raises funds through fundraising in communities, key partnerships and donations from individuals. It has a website for online donations, as well as a social media presence across multiple sites. It works with over 800 volunteers who help the organisation across their care services and fundraising.

CHAS also has a retail arm which last year brought in over £400,000, mostly from the sale of second hand goods in their shops. They also generate extra income from door-step clothing collection. CHAS aims to get the most from items donated, for example, any items that cannot be sold in CHAS shops are sold to companies who recycle them.

UK charities' statistics



The following questions are based on the case study. You will need to make use of knowledge and understanding you have gained whilst studying the course.

	MARKS
2. (a) (i) From the case study, identify the sector of the economy that CHAS operates in.	1
(ii) Compare the objectives of the sector identified in 2(a)(i) with one other sector of the economy.	3
(b) CHAS has a workforce made up of both employees and volunteers.	
(i) Outline the costs and benefits of staff training.	4
(ii) State the methods, other than training, CHAS may use to motivate its workforce.	4
(c) Explain the benefits to CHAS of choosing a suitable location for its shops.	3
(d) (i) From the case study, identify 2 types of technology used by the marketing function of CHAS.	2
(ii) Describe the use of technology in the marketing department of CHAS.	3

SECTION 2 — 50 marks

Attempt ALL questions

- | | | | |
|----|-----|---|---|
| 3. | (a) | Describe the use of market research. | 3 |
| | (b) | Outline stages of product development. | 4 |
| | (c) | Explain the benefits of branding to an organisation. | 3 |
| 4. | (a) | Describe the methods used by an organisation to ensure a quality product. | 4 |
| | (b) | Outline the factors that may be considered when choosing a suitable method of production. | 3 |
| | (c) | Explain the impact of over-stocking on the organisation. | 3 |
| 5. | (a) | Identify 2 pieces of legislation that exist to protect employees. | 2 |
| | (b) | (i) Identify 2 methods of selecting the right person for a job. | 2 |
| | | (ii) Explain one benefit of each method identified in 5(b)(i). | 2 |
| | (c) | Outline the effect of industrial action. | 4 |
| 6. | (a) | Discuss advantages and disadvantages of being a private limited company. | 4 |
| | (b) | Describe the influence of stakeholders on a private limited company. | 4 |
| | (c) | Identify 2 internal factors that could affect the success of an organisation. | 2 |

[Turn over

7. (a) An organisation has provided the following financial information.
Using the table below, calculate the missing information for (i), (ii) and (iii).

3

Units	Fixed Costs £	Variable Costs £	Total Costs £
0	1,000	0	1,000
100	(i)	2,000	3,000
200	1,000	4,000	(ii)
300	1,000	(iii)	7,000

- (b) Describe the use of technology in the finance department. 4
- (c) Define the following financial terms from an Income Statement: 3
- Expenses
 - Profit for the Year
 - Gross Profit.

[END OF QUESTION PAPER]

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ACKNOWLEDGEMENTS

Section 1 Question 1 – Logo and information is taken from a number of different sources including www.hellofresh.co.uk. Reproduced by kind permission of HelloFresh.

Section 1 Question 2 – Logo and information on CHAS are taken from CHAS social media links. Reproduced by kind permission of Children’s Hospices Across Scotland.

Section 1 Question 2 – UK Charities’ Statistics are adapted from www.nfpsynergy.net/free-report/facts-and-figures-uk-charity-sector. Reproduced by kind permission of nfpSynergy.