

X810/75/11

Business Management

THURSDAY, 22 MAY 9:00 AM – 11:00 AM

Total marks — 90

SECTION 1 — 40 marks

Attempt BOTH questions.

SECTION 2 — 50 marks

Attempt ALL questions.

You may use a calculator.

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.

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.





SECTION 1 — 40 marks Attempt BOTH questions

Canine Campus Pet Rescue and Food Bank is an animal charity and rehoming service based in Glasgow. A dedicated team of employees and volunteers promote animal welfare and transform the lives of unwanted and abandoned animals. The food bank provides vital donations of pet food, treats and bedding to help people struggling to look after their pets.

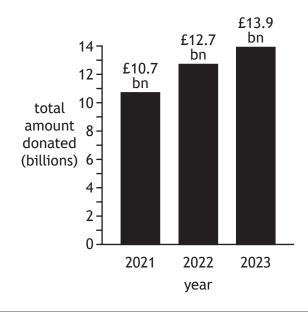
Employees and volunteers are trained to handle all kinds of animals. They also conduct thorough assessments to identify the needs of each rescued animal. Volunteers are a vital part of the charity helping with day-to-day tasks of caring for animals. They also help with paperwork, adoption



follow-ups and fundraising. The charity specialises in the rehabilitation of dogs with health and behavioural issues that most other pet rescue charities would turn away.

Both animals and families are fully assessed before adoption to ensure a good match. Once a successful match is made, the family pays an adoption fee. If circumstances change and adopting families can no longer look after the animal, it must be returned to the charity rather than being sold on.

Exhibit 1: Extract of UK charitable donations



	_	questions are based on the case study. You will need to make use of I understanding you have gained while studying the course.	MARKS
1. (a)	(i)	From the case study, identify the sector of economy Canine Campus operates in.	1
	(ii)	Describe the other 2 sectors of the economy.	4
(b)		uss the methods of advertising that Canine Campus could use to increase reness.	5
(c)	(i)	From Exhibit 1, identify the trend in UK donations.	1
	(ii)	Outline the possible effect of the trend identified in (c)(i) on Canine Campus.	1
(d)	Expl	ain the costs and benefits of training for Canine Campus.	4
(e)	(i)	From the case study, identify 2 stakeholders of Canine Campus.	2
	(ii)	Describe the influence of each of the stakeholders identified in (e)(i).	2

[Turn over

Nelly McCabe Independent Fashion Boutique (Nelly's) is a women's fashion retailer based in the village of Muirhead on the outskirts of Glasgow. Both its shop and website showcase exciting fashionable womenswear brands and the latest trends.

Inventory is sourced from Britain and across Europe. Along with clothing, Nelly's sells a range of boots, shoes, handbags, accessories, homeware and gifts. In the front of the store there is also a small coffee shop which serves lunches, drinks and snacks.



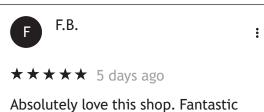
The store offers customers a personal shopping experience while ensuring affordability and quality. The owner wants to discourage throwaway fashion, make unique fashion more accessible and promote quality British and European designs and manufacturing.

The owner believes that shopping for fashionable clothes can be a tricky experience and said 'you can either enjoy shopping or hate it, and I want to give people the opportunity to try our clothes on without feeling intimidated'. Feedback from customers is that Nelly's clothes are beautiful, high quality and reasonably priced.

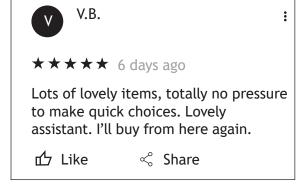
Exhibit 1: Extract showing value of inventory held by Nelly's

	Year 2	Year 1
Inventory	£2,550	£9,424

Exhibit 2: Extract of Google reviews of Nelly's



Absolutely love this shop. Fantastic selection of beautiful clothes. The staff are extremely polite and helpful. Would highly recommend to all to go in and have a look. Great service and beautiful clothes.



The following questions are based on the case study. You will need to make use of knowledge and understanding you have gained while studying the course.			MARKS
2.	(a)	(i) From the case study, identify 2 target markets of Nelly's.	2
		(ii) Justify the use of target marketing.	3
	(b)	Outline 2 objectives of Nelly's.	2
	(c)	Discuss possible reasons for Nelly's holding less inventory, as shown in Exhibit 1.	4
	(d)	(i) Distinguish between trade credit and a bank overdraft.	1
		(ii) Describe other sources of finance that Nelly's could use.	3
	(e)	From the case study, identify one good and one service.	2
	(f)	Explain the benefits of customer reviews, as shown in Exhibit 2.	3

[Turn over

SECTION 2 — 50 marks

Attempt ALL questions

3. (a) (i) Identify a type of business organisation that has unlimited liability.

1

(ii) Other than unlimited liability, describe the advantages and disadvantages of the type of organisation identified in (a)(i).

3

(b) (i) Identify 2 examples of economic factors.

2

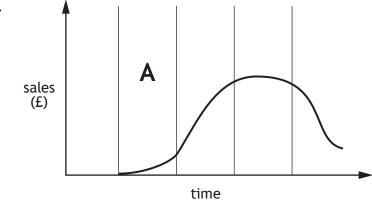
(ii) Explain the influence of each of the examples identified in (b)(i).

2

(c) Describe 2 internal factors of an organisation.

2

4.



- (a) From the diagram above, describe stage **A**.
- (b) (i) Identify pricing strategies that an organisation could use. 2
 - (ii) Describe factors that could affect an organisation's choice of pricing strategy.

2

4

2

(c) Describe 4 sales promotions an organisation could use.

3

5. (a) Explain the costs and benefits of job production.

3

(b) Describe the benefits of an organisation producing in an environmentally friendly way.

-

(c) Outline factors that could affect an organisation's choice of supplier.

4

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О	

7.

Units	Fixed Costs £	Variable Costs £	Sales Revenue £	Profit/Loss £
5	300	15	75	(240)
10	300	А	150	(180)
15	300	45	225	(120)
20	300	60	В	(60)
25	300	75	375	0
30	300	90	450	С

(a)	(i) From the table above, calculate the missing figures A, B, C.	3
	(ii) Identify the break-even point in units.	1
(b)	(i) Name the financial document that calculates the profit for the year.	1
	(ii) Outline one reason for each of the following:	
	decrease in sales revenue	
	increase in cost of sales	
	 decrease in profit for the year. 	3
(c)	Describe the use of technology in finance department.	2
(a)	Outline stages in the recruitment process.	4
(b)	(i) Discuss the use of a piece rate payment system.	2
	(ii) Describe 2 other payment systems.	2
(c)	Describe the role of a trade union.	2

[END OF QUESTION PAPER]

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