

GCSE and GCE Examining Bodies
Cyrff Arholi TGAU a TAG

For examiner use At ddefnydd yr arholwr	
[Handwritten marks: 247100, 3770]	
Examiner's initials Blaenlythrennau'r Arholwr	BW



- Use blue or black ink or ball-point pen.
- Write the information required in the spaces above.
- Use both sides of the paper.
- Write the question number in the left-hand margin.
- Rule a line across the page after each answer.
- Do all your rough work in this answer book and cross out any work you do not want marked. Do not tear out any part of this book. All work must be handed in.
- Write the numbers of the questions you answer in the order attempted in the left-hand column of the boxes opposite.
- If you use more than one Answer Book, write Book 1, Book 2, etc. in the top left-hand corner of the front page. Book 2, Book 3, etc. should be placed inside Book 1.
- No certificate will be awarded to a candidate detected in any unfair practice during the examination.

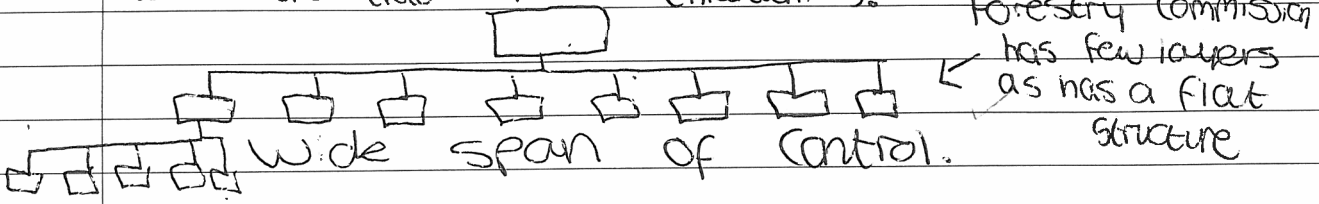
- Defnyddiwch inc glas neu ddu neu ysgrifbin pelbwynt.
- Ysgrifennwch y wybodaeth sydd ei hangen yn y lleoedd gwag uchod.
- Defnyddiwch ddwy ochr y papur.
- Ysgrifennwch rif y cwestiwn ar yr ymyl chwith.
- Tynnwch linell â phren mesur ar draws y dudalen ar ôl pob ateb.
- Gwnewch eich holl waith bras yn y llyfr ateb hwn a chroesi allan unrhyw waith nad ydych am iddo gael ei farcio. Peidiwch â thorri allan unrhyw ran o'r llyfr hwn. Rhaid rhoi pob darn o waith i mewn.
- Ysgrifennwch rifau'r cwestiynau rydych yn eu hateb yn y drefn yr atebwyd hwy yn y golofn ar y chwith yn y blychau gyferbyn.
- Os byddwch yn defnyddio mwy nag un Llyfr Ateb, ysgrifennwch Llyfr 1, Llyfr 2, ayb, yn y gornel chwith ar ben y dudalen flaen. Dylid gosod Llyfr 2, Llyfr 3, ayb y tu mewn i Lyfr 1.
- Ni roddir tystysgrif i ymgeisydd a geir yn ymddwyn yn annheg yn ystod yr arholiad.

Question number Rhif y Cwestiwn	Mark Marc
1a 1a	3
2b 2b	5
3a 3a	2
b	3
c	2
d	3
3a	8
b	5
c	4
d	3
e	6
f	10
Total Cyfanswm	54

A Grade

1.

A. A span of control is how many people a manager is directly in control of. A wide span of control therefore means they have a large number of people that they are responsible for. This is more common in flatter ~~management~~ ^{organizational} structures compared to a more traditional one (hierarchical).



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B. Delayering is when you remove layers of management. This may benefit forestry commission as they will have a shorter chain of command which makes communication more direct. This will save time in decision making as there are less layers for the message having to be transferred down. Secondly it may increase staff motivation as they will gain more responsibility due to the increased work load. Their roles will be more advanced as layers of management has been lost so therefore they will gain a higher status.

However it will result in redundancies which could lead to bad staff, weaker relationships. They will lose job security as those remaining may feel they are "next to go". Also redundancies cost the company money which will affect forestry commissions balance sheet and profit and loss account. Finally it can mean loss of central decision making as roles are less defined due to it having a flatter structure. Therefore decision making may be more complex as there is a lot of pressure on a small number of individuals. This will cause stress, high workload and possible high staff ~~loss~~ leaving rates.

L2

5

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2.

A.J. Capital expenditure is the financial outflow of cash a business uses to invest in the business. Farrell's vegetables is spending around £100,000 to expand his business. This is used as a financial spending.

II. Drawings is the money Andy Farrell takes out of his business for personal use. He has taken £29,000 which may have been taken as his wage for working.

B.J. A debtor is someone who owes Andy's business money. An example would be a hotel who has received an order although not paid for it yet.

II. A creditor is someone who Farrell's vegetables owes money to. An example would be if he took out a bank loan to pay for his capital expenditure he would be in debt to them over a certain period of time.

C.J. Tools + Machinery:

$$\begin{aligned} \text{Greenhouse + Vehicles} &= 150,000 + 42,000 \\ &= 192,000 \end{aligned}$$

$$\text{Total fixed assets} = 247,000$$

$$\begin{aligned} - \text{Above} &= \cancel{247,000} - 192,000 \\ &= 247,000 - 192,000 \end{aligned}$$

$$\text{Fixed assets} = \underline{\underline{£55,000}}$$

$$\begin{aligned} \text{Check} &= 150,000 + 55,000 + 42,000 \\ &= 247,000 \end{aligned}$$

Tools +
Fixed Machinery
assets = £55,000

11. Net Current assets (Working Capital)

$$\text{Current assets} - \text{Current liabilities}$$

$$57,370 - 32,7050$$

$$= \text{£}24,620$$

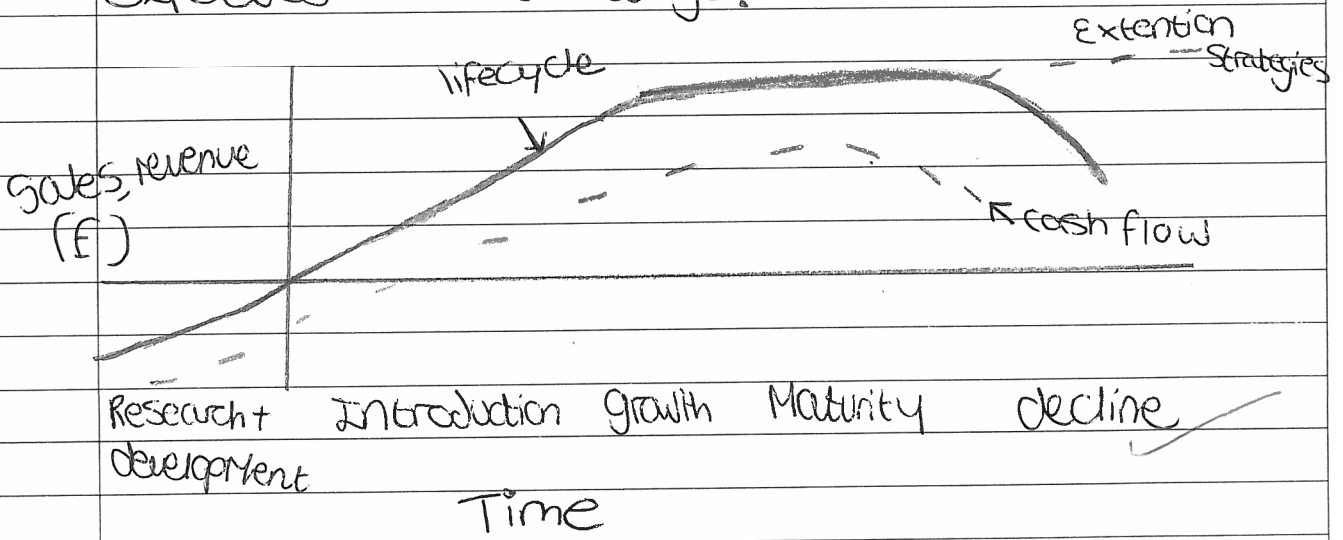
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D. Working Capital shows whether a business can meet the costs of the day-to-day running of the business. It is calculated by taking current liabilities away from current assets. It means farrell's vegetables is able to pay its short term expenses without going into debt. This will be important for both the success and profitability of his business as well as the ability to gain financial help as it shows he is less of a risk.

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3. A. The Product lifecycle shows the stages of a product and the sales that can be expected at each stage.

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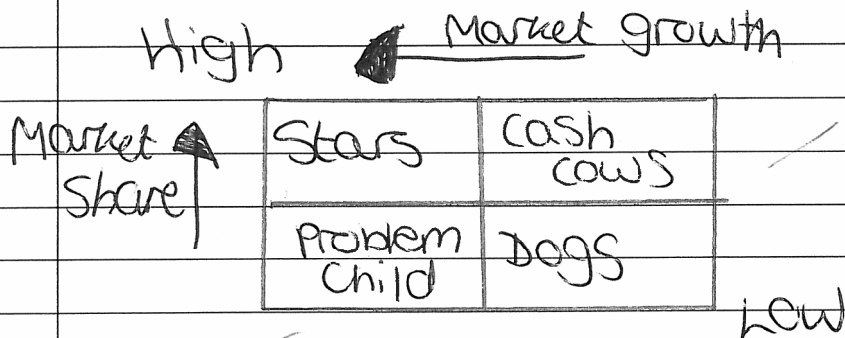
Research and development looks into the product seeing if it is possible to make and will have looked at different ingredients that could go in Mars products. It is very expensive and as there are no sales cash flow will be negative. Introduction is also very expensive as the product has to be launched to raise awareness and create demand. Again cash flow is likely to be

negative. The growth of a product usually increases sales which gives a positive cash flow. People are becoming more aware of the product and sales are increasing. At Maturity the sales have reached their peak and they will begin to level off. Cash flow will also peak and so costs for research and development can be regained. At decline sales and cashflow decline although extension strategies such as finding a more specific target market or rebranding can be used. Mars used a wider product range such as Mars delight.

L3

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B. The Boston Matrix Shows the product portfolio in terms of Market Share and Market growth.



It is important to have products in all categories as too many in one category is bad. Cash cows are often in the Maturity stage such as the Mars Bar as sales are very predictable and provide profit ~~for~~ to help with products in other categories such as Stars which need high investment. They can be 'milked' for cash, for example through a new advertising campaign such as them sponsoring the football. They are an asset to Mars Corporation as they have a high market share even though the market growth is low. This means sales are quickly generated to help with other aspects of the business' growth and also helps with brand awareness and loyalty

L3

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C. Mars Use branding to help raise customer awareness. This helps to generate a demand for their products which will increase their sales and profitability. It will also help to establish customer loyalty as they will be encouraged to buy repeat purchases. This will help to build up the brand name as people will feel obliged to buy based on the brand name. It also helps to differentiate products from competitors to give the business a more competitive edge. This will again encourage repeat purchases and brand loyalty.

D. Labour Productivity =
$$\frac{\text{Output Per period}}{\text{number of workers per period}}$$

This shows how much output each worker produced on average. This means their outcomes are easily measured so a change in working practices can be shown their effect easily. It shows how efficient the employees were over a certain time period which can be used to show a business's overall productivity.

E. Productivity refers to the outcome that a company produces. It shows how efficient they are and how well they are able to arrange their resources, capital and workforce to produce the best possible outcome. ~~The~~ Mars may do this by using financial incentives such as piecework which Taylor claims will help to increase motivation as humans are like machines and are focused on money. However this was applied to Ford Motor Company where it led to poor relationships between

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managers and staff as well as an increase in trade unions. Other examples include commission and fringe benefits. These show McGregor's theory X as all workers are lazy and motivated by money. Non-financial ~~benefits~~ benefits may also help Mars to improve productivity such as promotion and responsibility. This links to McGregor's theory Y as ~~workers~~ workers are motivated by other factors rather than purely money. Another way to improve productivity would be through investing in better machinery. This may make Mars' production more efficient as the production line may improve resulting in higher output. However this would be expensive and may require redundancies if they replace workers with robotics, although may be most beneficial in the long term. New technology can help although if it breaks down the whole production line would be affected. Finally Mars could increase its capacity utilisation by working at a fuller capacity by maximising outputs however this would strain resources and mean they were unable to cope with a sudden increase in demand, although economies of scale will increase.

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F. Internal recruitment is when you employ someone who already works in the business. This would be beneficial as they already know the business so would take less time to settle in. This means you would also save on training costs as they have already had experience in the company so will need less help to understand its day-to-day

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activities. Secondly it would also motivate other staff in the business as they are aware of the opportunity to be promoted so therefore may increase their productivity. This would benefit Mars Corporation as outputs may increase resulting in a higher labour productivity. However it may cause conflict and jealousy ~~with~~ among other employees as they are resentful of the employee who got a higher position. This may lead to demotivation and staff leaving as they feel it is 'unfair'. Also even if Mars chose to promote someone they would still have a spare position as they need to find someone to take that employees position. They will therefore still have to advertise for external recruitment.

External recruitment is employing someone who does not currently work for the business. This means they would have new knowledge and skills to offer and new ideas of how to do things. This is beneficial as Mars would learn from the new employees and would gain other skills that they would have already had from internal recruitment. However it does mean they were unfamiliar with the company so may take longer to settle down and find out how everything works. ~~The~~ Mars will have high training and advertising costs as they will have to advertise the job externally which can be very expensive. However that does mean they have a

wider choice of applicants as they are not limited by people who already work at Mars.

Overall Mars may benefit more from external recruitment as there will be a wider choice of potential employees with new skills and experiences to offer. It will prevent jealousy between staff and also benefit the company as they don't then need to fill another position as soon as they recruit someone which will happen with internal recruitment. People who will apply will have the qualities they are looking for as they will 'seek out opportunity' as they have actively applied for the job so therefore external recruitment may be a more suitable option.

L3

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