Surname	Centre Number	Candidate Number
First name(s)		2

GCE AS

B510U20-1

S24-B510U20-1

FRIDAY, 24 MAY 2024 – AFTERNOON

BUSINESS – AS component 2
Business Functions

2 hours

	For Examiner's use only		
	Question	**Maximum Mark**	**Mark Awarded**
Section A	**1.**	**22**	
	2.	**15**	
	3.	**18**	
Section B	**4 or 5 or 6**	**25**	
	Total	**80**	

ADDITIONAL MATERIALS

A calculator.

INSTRUCTIONS TO CANDIDATES

Use black ink or black ball-point pen. Do not use gel pen or correction fluid.
You may use a pencil for graphs and diagrams only.
Write your name, centre number and candidate number in the spaces at the top of this page.
Answer **all** questions in Section A.
Answer **one** question from Section B.
Write your answers in the spaces provided in this booklet. If you run out of space, use the additional page(s) at the back of the booklet, taking care to number the question(s) correctly.
You are advised to spend no more than 80 minutes on Section A.

INFORMATION FOR CANDIDATES

The number of marks is given in brackets at the end of each question or part-question.
You are reminded of the necessity for good English and orderly presentation in your answers.

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SECTION A

Answer **all** questions from this section.

1. Government and business

During the summer of 2020 the UK Government put in place a number of measures to support struggling businesses. One measure was the temporary removal of stamp duty tax in England on houses bought for up to £500 000 from July 2020 until March 2021. Stamp duty is a tax that most home buyers have to pay in addition to the house purchase price.

Lisa, who purchased a home in December 2020, benefitted by the measure. She purchased a house for £250 000 and did not have to pay any stamp duty tax. Without this government measure, Lisa would have paid an additional 1% of the house purchase price as stamp duty tax.

Between July 2020 and March 2021 house prices increased as more buyers took advantage of the stamp duty tax savings. This had a positive effect on the **recruitment** of employees within estate agents.

(a) Outline what is meant by the term recruitment. [2]

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(b) Calculate the amount of stamp duty tax Lisa would have paid if the UK Government had not removed stamp duty tax during this time. [1]

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(c) Using a demand and supply diagram, describe **one** reason why house prices increased between July 2020 and March 2021. [5]

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Due to rising health concerns the UK Government has introduced restrictions on unhealthy junk food adverts on TV and online until after 9pm each day. These restrictions affect food products that are high in fat, salt and sugar in an attempt to solve health problems. These restrictions include the sales promotion technique of 'buy one get one free' on unhealthy junk foods.

(d) Explain how the government changes to advertising and sales promotion will impact **two** external stakeholders of businesses that sell unhealthy junk foods. [6]

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(e) To what extent is it likely that all food-related businesses would be affected negatively as a result of the government changes to advertising and sales promotion? [8]

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2. Struggling businesses and organisational changes

In recent years, a number of businesses announced changes to their organisational design to ensure business survival.

Pizza Express, WHSmith and John Lewis all announced organisational design changes involving job cuts, delayering, and other internal organisational structural changes in order to reduce costs. In preparation for organisational change, businesses adopted off-the-job training methods.

During this period ACAS (Advisory, Conciliation and Arbitration Service) experienced a 300% increase in calls for its services.

(a) Describe **two** roles of ACAS. [4]

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(b) Explain **one** benefit to a business using off-the-job training methods. [3]

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(c) To what extent is changing organisational design the best way to ensure survival for struggling businesses? [8]

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3. Budgeting for value

Tawanda owns and runs a business called TJ's that produces outdoor camping equipment such as tents. Tawanda has provided cost and price information on his Elite family tent in **Figure 1** below.

Figure 1: Cost and price information for one Elite family tent

Raw materials (inputs)	Finished product (output)
Tent fabric: £89 Tent poles: £7 Ground sheet: £13 Zippers: £5 Other raw materials: £5	The Elite family tent is sold for £199

(a) (i) Calculate the added value for one Elite family tent. [2]

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(ii) Explain **two** ways in which TJ's can increase added value to the Elite family tent. [5]

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Tawanda employs up to 9 workers during busy times. He sets and reviews budgets for his business over a six-monthly period. Tawanda creates each budget and then communicates them to all workers in the business. **Figure 2** shows Tawanda's budget and the financial performance for the past six months.

Figure 2: Budget and financial performance provided by Tawanda for the past six months

Tawanda's budget set six months ago		TJ's financial performance over the past six months	
	£s		£s
Total sales (revenue) budget	**390 000**	**Total sales (revenue) received**	**393 000**
Marketing budget	20 000	Total spent on marketing	22 000
Production budget	205 000	Total spent on production	213 000
Human resource budget	100 000	Total spent on human resources	**(ii)**
Total expenditure (costs) budget	**325 000**	**Total expenditure (costs) spent**	**339 000**
Total profit budget	**(i)**	**Total profit received**	**54 000**

Tawanda understands that in some areas his business did not stick to the budget. He did not predict that his main supplier of tent fabric would increase its prices over the past six months, which had an impact on production costs.

(b) Using **Figure 2**, calculate:

(i) Total profit budget. [1]

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(ii) Total spent on human resources. [1]

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(c) With reference to **Figure 2** and any other relevant information, assess Tawanda's use of budgets. [9]

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SECTION B

Answer **one** question from this section.

Either,

4. Let's stock or not

(a) Describe the different methods of stock control that could be used by a large-scale national house building company. [10]

(b) Evaluate how different stakeholders may be affected by a business that is regularly holding incorrect quantities of stock. [15]

Or,

5. Past, present and possible products

(a) Describe, with the aid of a diagram, how marketing decisions might change through the stages of the product life cycle for a business that develops mass market computer games. [10]

(b) 'Internal sources of finance are more appropriate than external sources of finance when funding the development of new products.' Discuss this statement. [15]

Or,

6. Working hard or hardly working

(a) Describe the different leadership styles which might be used to manage employees that work from home. [10]

(b) With reference to **two** motivational theories, discuss the view that money is an essential tool used to motivate employees. [15]

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Answer the question from Section B using the following pages.

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END OF PAPER

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Question number	Additional page, if required. Write the question number(s) in the left-hand margin.

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