

Please write clearly in block capitals.

Centre number

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Candidate number

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Surname

Forename(s)

Candidate signature

INTERNATIONAL GCSE BUSINESS

PAPER 1 INFLUENCES OF OPERATIONS AND HUMAN RESOURCES ON BUSINESS ACTIVITY

Specimen 2017

Morning

Time allowed: 2 hours

Materials

For this paper you must have:

- a calculator, which you are expected to use where appropriate.

Instructions

- Use black ink or black ballpoint pen.
- Fill in the boxes at the top of the page.
- Answer **all** questions.
- You must answer the questions in the spaces provided. Do not write outside the box around each page or on blank pages.
- All working must be shown.
- Do all rough work in this book. Cross through any work you do not want to be marked.

Information

- The marks for questions are shown in brackets.
- The maximum mark for this paper is 90.

Advice

- You may use a bilingual dictionary.

For Examiner's Use	
Question	Mark
1	
2	
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9	
10	
11	
TOTAL	


Section A


Answer **all** questions in the spaces provided.

Only **one** answer per question is allowed.

For each answer completely fill in the circle alongside the appropriate answer.

CORRECT METHOD  WRONG METHODS    

If you want to change your answer you must cross out your original answer as shown. 

If you wish to return to an answer previously crossed out, ring the answer you now wish to select as shown. 

0 1

Which **one** of the following is a factor of production?

[1 mark]

A Competition

B Labour

C Profit

D Stakeholder

0 2

Which **one** of the following is a method of external growth?

[1 mark]

A Building an extension to the factory

B Merging with another business

C Opening a new branch in another location

D Selling via the internet

0 3

Which **one** of the following is likely to happen when a business improves its customer service?

[1 mark]

- A** An increase in the number of complaints made by customers
- B** An increase in the number of employees leaving the business
- C** An increase in the size of profits made by competitors
- D** An increase in the volume of the business's sales

0 4

Which **one** of the following is a likely benefit of internal recruitment?

[1 mark]

- A** It will give a wider choice of candidates
- B** It will increase the skill level within the business
- C** It will motivate existing workers
- D** More training will be needed

0 5

Which **one** of these business activities operates in the secondary sector?

[1 mark]

- A** Extracting oil from underground
- B** Helping people with their finances
- C** Manufacturing clothing
- D** Selling food at a restaurant

Turn over for the next question

0	6
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State **two** benefits of on-the-job training.

[2 marks]

Benefit 1 _____

Benefit 2 _____

0	7
---	---

Identify and explain **one** reason why communication can sometimes be difficult between people who work in a business with a tall organisational structure.

[2 marks]

0	8
---	---

Identify and explain **one** benefit to a sole trader of becoming a partnership.

[2 marks]

0	9
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Customers at Sami’s Restaurant have complained that the quality of the food is poor. A result of this is the number of meals sold has been falling. This has made the business less profitable.

Identify and explain **two** methods that Sami’s restaurant could use to improve the quality of the food that it sells.

[4 marks]

Method 1 _____

Method 2 _____

15

Turn over for the next section

Section B

Answer **all** questions in the spaces provided.

1	0
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Item A Toyota

Toyota is a car manufacturer that started in Japan. It is one of the most successful car manufacturers, and it employs over 300 000 people throughout the world. The cars are known for being of high quality. Toyota has a good reputation that has helped them grow into one of the largest companies in the world. The company's revenues exceed US\$200 billion each year. Toyota has factories in more than 25 different countries.

Toyota is a leader in car manufacturing. Its methods are based on the Toyota Production System (TPS). The TPS involves continuous improvement, an emphasis on respect and teamwork, and a focus on reducing waste within the business.

In 2014 Toyota found out there might have been a fault in the safety airbags in up to 7 million of its cars. Toyota had to get back many cars that had already been sold to customers, so that it could repair the faults. The customers did not have to pay for the repairs.

1	0
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1

Table 1 shows Toyota's total car sales in the United States of America (USA).

Table 1

Year	Total car sales in the USA
2013	2 236 042
2014	2 373 771

Use the information in **Table 1** to calculate the percentage increase in sales between 2013 and 2014.

Give your answer correct to 2 decimal places and show your calculations.

[2 marks]

1 0 . 2

Identify and explain **two** benefits to Toyota of producing high-quality cars.

[4 marks]

Benefit 1 _____

Benefit 2 _____

Question 10 continues on the next page

1 0 . 3

Identify and explain **two** possible effects on Toyota of having to repair faulty cars.

[4 marks]

Effect 1 _____

Effect 2 _____

Item B
Toyota

In recent years there have been growing worldwide concerns about the environment. The car industry can have many negative effects on the environment. The car production process can harm the environment and when cars are driven they cause air pollution and traffic congestion. More people now want to buy cars that do not harm the environment as much.

Hybrid cars are a new form of technology. Hybrid cars are partly powered by electricity and they are often more fuel efficient, less noisy and produce less pollution. More companies are starting to invest in hybrid technology. However, it can be expensive to buy the equipment needed to make new hybrid cars. Like most car manufacturers, Toyota uses flow production to make their cars.

Toyota is the world market leader in sales of hybrid cars. In 1997, the Toyota Prius was the first car to go on general sale as a hybrid. Toyota has gained a reputation for making cars that do not harm the environment.

The company is going to open up more factories to make these hybrid cars. Hybrid cars are more expensive than petrol cars and Toyota's competitors are aware of this. The hybrid car market is a potentially profitable one but it is still an uncertain market.

Toyota is considering making hybrid cars at its research and development facility in China as well as in India, Mexico and the USA. This is likely to have a major effect on the communities where the new factories are to be located.

Hybrid cars = cars that are powered by both electricity and petrol.

1 0 . 4

Toyota is considering opening new factories to make their hybrid cars. This will affect the local communities where the factories are located.

Explain ways in which local communities may be affected by the opening of new Toyota factories.

[6 marks]

Turn over for the next section

**DO NOT WRITE ON THIS PAGE
ANSWER IN THE SPACES PROVIDED**

Turn over ►

Section C

Answer **all** questions in the spaces provided.

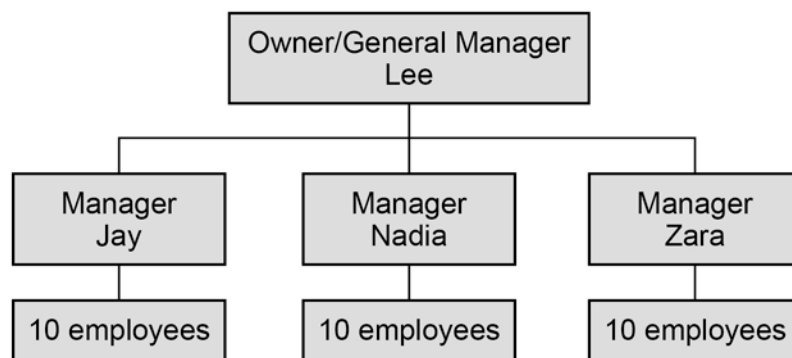
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Item C

LEECO is a company based in Singapore. It sells and installs video equipment that allows businesses to talk to each other anywhere in the world. Many businesses use this technology to hold business meetings without people having to travel large distances.

Figure 1 shows the organisational structure of LEECO.

Figure 1



LEECO is owned by Lee, who started the business 7 years ago. Although Lee is in charge of the business, he relies on his three managers for support and ideas. All three managers have been with the business since it began. They have regular meetings where they discuss possible improvements to the business and consider the views of the other employees.

Lee believes that the reasons why LEECO is successful are that they have good relationships with their customers and they provide excellent customer service. Lee trains the employees so they have the technical skills to install the equipment correctly. Lee gives his employees some of the profits that the company makes. He believes that this stops them from wanting to leave the company to work for somebody else.

LEECO's sales have increased steadily over the last 5 years. As LEECO has grown, it has found it harder to maintain the quality of customer service. Recently they have found that some customers are unhappy with the service they received from LEECO. Lee thinks it might help if he recruits an additional manager to take some workload off the other managers.

1 1 . 1

With reference to **Figure 1**, what is meant by span of control?

[2 marks]

1 1 . 2

Identify and explain **two** ways LEECO motivates its employees.

[4 marks]

1 _____

2 _____

Question 11 continues on the next page

1 1 . 4

Table 2 shows LEECO's total revenue and total cost for the years 2015 and 2016.

Table 2

Year	Total Revenue US\$ million	Total Cost US\$ million	Profit US\$ million
2015	2.3	0.8	1.5
2016	2.4	1.1	

Use the information in **Table 2** to calculate the change in profit between 2015 and 2016. You will need to calculate the profit in 2016 to help you do this.

Show your calculations.

[2 marks]

1 1 . 5

Explain **one** way the change in profit you calculated in question 11.4 might affect LEECO.

[3 marks]

Item D

Lee believes that LEECO needs to increase in size in order to make more profit. His employees have said that the amount of work they have to do is too great. This could stop the business from expanding and being able to look after the existing customers well. One of the managers said that if they could buy their equipment in bulk, it would be cheaper.

Recently, Lee was asked by a young entrepreneur if she could franchise the LEECO brand to start her own business. She would pay a fee to LEECO and she would also give LEECO part of any of her profits. One of the managers believes that this would allow LEECO to take more orders, and pass them on to the new franchisee. Lee is worried that the young entrepreneur wants to run the franchise in a different way and this could spoil the reputation of LEECO.

Lee knows that there is a similar business operating in Singapore called E-Conference. He has heard that the owner would be willing to sell the business. Lee has researched the possibility of getting a bank loan to buy E-Conference. This would let LEECO grow very quickly and would allow them to take many more orders.

1	1	.	7
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Lee is thinking about two different ways to expand LEECO.

- Sell a franchise to the young entrepreneur
- Buying E-Conference

Using the information in Items **C** and **D**, recommend which of the two options would be better for expanding LEECO.

Give reasons for your recommendation.

[12 marks]

There are no questions printed on this page

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