

Please write clearly in	block capitals.		
Centre number		Candidate number	
Surname			
Forename(s)			
Candidate signature			

# INTERNATIONAL A-LEVEL BUSINESS

**UNIT 4 BUSINESS DECISION MAKING** 

Specimen 2017

Morning

Time allowed: 1 hour 45 minutes

#### **Materials**

For this paper you must have:

- the insert (enclosed)
- a calculator, which you are expected to use where appropriate.

#### Instructions

- Use black ink or black ball-point 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.
- You may **not** use an English dictionary.

#### Information

- The marks for questions are shown in brackets.
- The maximum mark for this paper is 80.

#### **Advice**

You may use a bilingual dictionary.

For Examiner's Use	
Question	Mark
1	
2	
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10	
11.1	
11.2	
11.3	
TOTAL	

### Section A

	Answer <b>all</b> questions in the spaces provided.
0 1	You are the manager of a large business that has financed its growth mainly through borrowing. You expect the interest rate in your country to increase soon.
	Should you reduce the borrowing of the business now? Assess the arguments for and against and make a judgement.  [12 marks]

Extra space

0 2	The owners of a family shoe-making company are eager for the business to grow quickly. They are considering making a takeover bid for another shoemaking company based overseas.  Would you recommend this as a good way for the family business to grow? Justify your answer.  [12 marks]

Extra space

0 3	The Chief Executive of a business needs to introduce a strategy that includes a number of store closures.
	What style of leadership do you think would be best for a strategy? Justify your answer.
	[12 marks]

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## Section B

	Answer <b>all</b> questions in the spaces provided.
	Read the <b>case study</b> in the <b>insert booklet</b> and then answer the questions.
0 4	State <b>one</b> way the size of the computer games market may be measured.  [1 mark]
0 5	State the product category that <b>Product X</b> belongs to in the Boston matrix model shown in <b>Figure 1</b> .  [1 mark]
0 6	Calculate the total float time on <b>Activity D</b> shown in <b>Figure 2</b> .  [3 marks]

0 7	Using <b>Figure 2</b> , state the activities on the critical path and its total du weeks.	ıration in
		[2 marks]
0 8	Calculate the current ratio for Tana plc in 2017.	[2 marks]
0 9	Calculate the gearing ratio for Tana plc in 2017.	[3 marks]
		[5 marks]
		·

1 0	Calculate the return on capital employed for Tana plc in 2017.	[2 marks]
	Turn over for the next question	
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1 1	You are a management consultant employed by Carl.
	Using the information from the case study, write a report to the Board of Directors of Tana plc. In your report you should:
	<ul> <li>analyse the key strengths of Tana's existing position.</li> <li>analyse the key weaknesses of Tana's existing position.</li> <li>with reference to your analysis, recommend the actions that you think Carl should now take at Tana plc. You should justify your recommendations.</li> </ul>
1 1.1	Analyse the key strengths of Tana's existing position.  [9 marks]

	Extra space	
	Analysis the key weeknesses of Tone's existing position	
1 1 . 2	Analyse the key weaknesses of Tana's existing position.	
		[9 marks]

Extra space

1 1 . 3	With reference to your analysis, produce a plan of the actions to Carl should now take at Tana plc. You should justify your recor	nmendations. [12 marks

15
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END OF QUESTIONS

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ANSWER IN THE SPACES PROVIDED

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