

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

INTERNATIONAL GCSE BUSINESS

PAPER 1 INFLUENCES OF OPERATIONS AND HUMAN RESOURCES ON BUSINESS ACTIVITY

Specimen 2018

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 this 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		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
TOTAL		

Section A

		Answer all questions in the spaces provided.			
Only one a	Only one answer per question is allowed.				
For each a		completely fill in the circle alongside the appropriate answer			
	to retu	ange your answer you must cross out your original answer as			
0 1	Wł	nich one of the following is most likely to cause a business's	profits to rise? [1 mark]		
	Α	Employees receive a large pay rise.	0		
	В	A new competitor enters the market.	0		
	С	Interest rates increase.	0		
	D	It finds a cheaper supplier.	0		
0 2	A r	nanager's span of control is measured by	[1 mark]		
	Α	how much salary the manager receives	0		
	В	how long the manager has worked in the business	0		
	С	how many employees the manager supervises	0		
	D	how much training the manager has been given	0		

0 3	The money paid to sales staff, which depends on how many sales they make, is known as what?		
			[1 mark]
	Α	Net wages	0
	В	Commission	0
	С	Salaries	0
	D	Deductions	0
0 4		ich one of the following is most likely to demotivate employe reasing the	es? [1 mark]
			[1 mark]
	Α	number of hours in the working day	0
	В	hourly wage rate	0
	С	opportunity for employees to socialise	0
	D	number of fringe benefits	0
0 5	Wh	ich one of the following best describes the meaning of Kaize	n? [1 mark]
	Α	Reducing the number of employees	0
	В	Finding the best business opportunity	0
	С	Continually looking for ways to improve	0
	D	Using traditional production methods	0
		Turn over for the next question	

0 6		nich one of the following is most likely to cause an increase in a ciency?	a business's
			[1 mark]
	Α	The same output is made with fewer resources.	0
	В	More output is made with more resources.	0
	С	Less output is made with fewer resources.	0
	D	The same output is made with more resources.	0
0 7		entify and explain one reason why a business might prefer to usining of its employees.	-
			[2 marks]
0 8	Exp	olain what is meant by a mixed economy.	[2 marks]

0 9	Give two stages in the process to recruit the best person to fill a job vacancy. [2 marks]
1 0	Explain how a tall organisation structure can lead to poor communications within an organisation. [3 marks]

Turn over for the next section

15

Section B

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

1 1

Item A CP Cycles

Cairo Partners (CP Cycles) is an Egyptian bicycle manufacturer owned by four business partners. The company was started 15 years ago and has slowly expanded over the years. It now makes 8,000 bicycles each month which are then sold throughout the country. The business has developed a good reputation for producing stylish bicycles which are sold at a higher price than those of its competitors.

CP Cycles imports components, such as wheels and brakes, from overseas manufacturers. These parts are then assembled into bicycles at its factory. CP Cycles takes delivery of components every two weeks. A large section of the factory is used to store these components until they are needed to produce bicycles. This leads to times when there is little space for employees to work on the factory floor. One of the partners has suggested that using a Just in time (JIT) system for the bike parts would improve production.

1 1 . 1	Identify and explain two benefits to CP Cycles of being a partnership than having a single owner.	rather
		[4 marks]
	1	
	2	

1 1 . 2	Identify and explain the benefits to CP Cycles of using a Just in tim system when having bicycle components delivered.	e (JIT)
	system when having bicycle components delivered.	[6 marks]
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Item B CP Cycles

CP Cycles has recently noticed a decline in the quality of the bicycles that they produce. 15% of the bicycles have to go back into the factory to have repairs made before they ready to be sold. On average, each repair costs CP Cycles 300 Egyptian pounds EGP.

The business decides to make improving the quality of its bicycles a priority. The owners worry that if poor quality bicycles are sold to customers it could have a bad effect on the business.

1 1 . 3	Using Items A and B , calculate the monthly cost of having to make repthe bicycles.	pairs to
	Show your calculations.	[3 marks]

1 1 . 4	Identify and explain two ways CP Cycles might use to reduce the bicycles that need to be repaired before they can be sold.	
	1	[4 marks]
	1	
	2	
1 1 . 5	Analyse how CP Cycles' profits might be affected if it is unable to	improve the
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Item C

Figure 1 shows Egyptian economic statistics.

Figure 1

Year	2011	2017
Inflation	7.1%	19.9%
Unemployment	8.9%	12.4%

The partners of CP Cycles have a meeting with the owners of Bold Bikes, which is a competing business. It is suggested that both companies would benefit if they merged and operated as one business. Bold Bikes specialises in making basic, but affordable, bicycles that appeal to older customers and those on low incomes. Bold Bikes has been established for 50 years and the brand is well known in the country.

1 1 . 6	Analyse how the change in inflation and unemployment statistics in might affect how many bicycles that CP Cycles sells.	Figure 1
	might affect flow many bicycles that of Cycles sells.	[6 marks]

	Extra space
1 1 . 7	CP Cycles is unsure whether to:
	 merge with Bold Bikes, or continue to expand slowly by increasing the sales of its own bicycles.
	Recommend which of the two options you believe would be better for CP Cycles.
	Use the information in Items A, B and C to give reasons for your recommendation.
	[12 marks]

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Section C

Answer all questions in the spaces provided.

1 2

Item D Titan Company Ltd

Titan Company Ltd is an Indian producer of luxury items. It was founded in 1984 and is part of the Tata group of companies. Titan manufactures jewellery, clothing, frames for glasses, and perfumes. It is the 5th largest watchmaker in the world.

Titan's main customers are high-income earners, both in India and the other 32 countries in which it sells its products. In recent years it has tried to enter the mass market and sell to a larger group of people. Titan has to be careful, however, that its prices are not allowed to fall too low, as this could spoil the luxury image of its brand.

Titan employs people to monitor social media to get feedback from customers. The business wants to find out what people are saying about its products and the service that customers receive. This is seen as a good way to check that the quality of Titan's products meets customer expectations.

1 2 . 1	Titan is a limited company.	
	Explain what is meant by a limited company.	[2 marks]

1 2 . 2	Identify and explain two benefits to Titan of using social media as a find out what the public think about the company's products and the that it provides.	way to service
		[4 marks]
	1	
	2	
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Item E

Traditionally, Indian jewellery is made using both job and batch production methods in small workshops within the home. Often these workshops are dark and unhealthy. There has been a decline in the number of jewellery craftsmen (who are called karigar). This is because the children of karigar do not want to carry on the family business. They do not want to spend their lives working and living in poor uncomfortable conditions.

To encourage young people to become jewellery makers, Titan has built a number of Karigar Centres. These are buildings that contain large workshops and accommodation blocks. Jewellery craftsmen can both live and work with other karigar in far better conditions. Working this way also means that Titan can provide improved training to ensure standards remain high. Operating in large workshops also allows jewellery to be made using flow production methods. Titan is able to provide equipment and machinery that the small workshops could not afford to buy.

1 2.3	Analyse the benefits to Titan of making its jewellery using flow prodrather than using job and batch production.	uction
	ramor aran gong jeu and baton production	[6 marks]

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1 2 . 4	Titan made the decision to introduce the Karigar Centres throughout India. These centres are costly to build but Titan feels that they motivate the jewellery makers better than using other methods.
	Analyse how Titan uses the Karigar Centres to motivate its jewellery makers. [6 marks]

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Question 12 continues on the next page

Item F

Titan wants to be known as a modern responsible manufacturing company. The business believes that it has a duty to support its stakeholders. Each year the company is committed to giving 2% of its net profits to worthy causes. This figure is about 200 billion rupees, or US\$ 3million. Much of this money is used to help women and girls in the areas where its factories are located. Titan pays for girls' schooling, for example. Traditional Indian crafts such as embroidery have also been helped financially. All employees are encouraged by Titan to volunteer to help with local community charitable projects for six days each year.

Titan believes that it treats its employees fairly. Each year all employees are asked to complete a feedback questionnaire on the business. Employees are asked for their views on how the business is performing and what Titan can do to improve their working lives.

1 2 . 5	Identify and explain one advantage and one disadvantage to Titan of asking its employees to suggest ways that the business can improve their working lives. [4 marks]
	Advantage
	Disadvantage

1 2 . 6	Titan gives away about US\$ 3million each year to worthy causes.
:	Evaluate whether this spending is worthwhile for Titan, or whether the money should be given to shareholders. [12 marks]
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END OF QUESTIONS

