

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 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** 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 most likely to cause a business's profits to rise?

[1 mark]

- A** Employees receive a large pay rise.
- B** A new competitor enters the market.
- C** Interest rates increase.
- D** It finds a cheaper supplier.

0 2

A manager's span of control is measured by...

[1 mark]

- A** how much salary the manager receives
- B** how long the manager has worked in the business
- C** how many employees the manager supervises
- D** how much training the manager has been given

0 3

The money paid to sales staff, which depends on how many sales they make, is known as what?

[1 mark]

- A Net wages
- B Commission
- C Salaries
- D Deductions

0 4

Which **one** of the following is most likely to demotivate employees?
Increasing the...

[1 mark]

- A number of hours in the working day
- B hourly wage rate
- C opportunity for employees to socialise
- D number of fringe benefits

0 5

Which **one** of the following best describes the meaning of Kaizen?

[1 mark]

- A Reducing the number of employees
- B Finding the best business opportunity
- C Continually looking for ways to improve
- D Using traditional production methods

Turn over for the next question

0	6
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Which **one** of the following is most likely to cause an increase in a business's efficiency?

[1 mark]

A The same output is made with fewer resources.

B More output is made with more resources.

C Less output is made with fewer resources.

D The same output is made with more resources.

0	7
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Identify and explain **one** reason why a business might prefer to use off-the-job training of its employees.

[2 marks]

0	8
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Explain 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
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Explain how a tall organisation structure can lead to poor communications within an organisation. **[3 marks]**

<hr/> 15

Turn over for the next section

Section B

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

1	1
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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
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Identify and explain **two** benefits to CP Cycles of being a partnership rather than having a single owner.

[4 marks]

1 _____

2 _____

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 are 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 repairs to the bicycles.

Show your calculations.

[3 marks]

1 1 . 4

Identify and explain **two** ways CP Cycles might use to reduce the number of its bicycles that need to be repaired before they can be sold.

[4 marks]

1 _____

2 _____

1 1 . 5

Analyse how CP Cycles' profits might be affected if it is unable to improve the quality of its bicycles.

[6 marks]

Extra space

Question 11 continues on the next page

Section C

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

1	2
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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
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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 way to find out what the public think about the company's products and the service that it provides.

[4 marks]

1 _____

2 _____

Question 12 continues on the next page

Extra space _____

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
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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 _____

There are no questions printed on this page

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ANSWER IN THE SPACES PROVIDED**

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