
INTERNATIONAL AS & A-Level BUSINESS STUDIES

9725

Unit 2 Human Resources, Operation and Finance

Specimen paper X am UK Time Time allowed: 1 hour 15 minutes

Materials

You will need no other materials.

Instructions

- Use black ink or black ball-point 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.
- If you need extra space for your answer(s), use the lined pages at the end of this book. Write the question number against your answer(s).
- 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 60.

Section A

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

| | |
|---|---|
| 0 | 1 |
|---|---|

Describe one reason why labour productivity in a business may be low.

[2 marks]

| | |
|---|---|
| 0 | 2 |
|---|---|

Describe one way that a business can raise funds internally.

[2 marks]

| | |
|---|---|
| 0 | 3 |
|---|---|

Describe one reason why a manager might decide to delegate a task.

[2 marks]

| | |
|---|---|
| 0 | 4 |
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Describe one way in which effective operations management can improve the competitiveness of a business.

[2 marks]

| | |
|---|---|
| 0 | 5 |
|---|---|

Describe one possible difficulty of introducing total quality management.

[2 marks]

| |
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| 10 |
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Turn over for the next section

Section B

Answer all questions in this section.

0 6

The following information refers to a business:

Output = 200,000 units

Maximum output = 500,000 units

Variable costs = \$150,000

Total costs = \$400,000

Calculate the unit cost

[2 marks]

0 7

The budget gross profit for a business was \$70,000.

The actual financial outcomes for the business are shown in **Table 1**.

Table 1

| | Actual outcomes |
|----------------------|------------------------|
| Revenue | \$80,000 |
| Cost of Sales | \$30,000 |
| Expenses | \$15,000 |
| Number of units sold | 24,000 |

Calculate the gross profit variance for the business.

[4 marks]

| | |
|---|---|
| 0 | 8 |
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The following data shows the sales, cost and revenue data for a business.

Price per unit = \$80

Number of units sold = 5,000

Variable cost per unit = \$50

Fixed costs = \$36,000

Calculate the break-even output of this business.

[4 marks]

| |
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Turn over for the next section

Section C

Answer all questions in this section.

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| 0 | 9 |
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A business is operating in a highly competitive market.

Analyse two ways ineffective recruitment and selection could have an impact on its competitiveness.

[8 marks]

Analyse one advantage and one disadvantage for the manufacturer of only using a single supplier for one of its key components

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Turn over for the next section

Section D

Answer all questions in this section.

| | |
|---|---|
| 1 | 1 |
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A small business has forecast that it will have negative cash flow in the coming months despite increasing sales. A major supplier has just asked if it could be paid more quickly in future. The interest rate on an overdraft would be 6% a year; on a loan it would be 4% a year.

The finance manager is considering whether to arrange an overdraft with the bank rather than apply for a loan.

Assess the arguments for and against using an overdraft rather than a loan and make a judgement whether to use an overdraft.

[12 marks]

| | |
|---|---|
| 1 | 2 |
|---|---|

XET plc is a clothing producer with a fashion brand known for its high quality. Following the launch of a new product range XET plc has experienced a significant increase in demand and cannot meet some of its orders.

XET plc was already operating at 85% capacity utilisation.

It is now considering whether to expand its factory capacity rather than outsource production.

Assess the arguments for and against outsourcing and make a judgement on whether to do this.

[12 marks]

END OF QUESTIONS

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