GradeMax

Write your name here

Surname	Other names

Pearson Edexcel
International Advanced Level

Centre Number | | | | | |

Candidate Number | | | | |

Business Studies

International Advanced Subsidiary
Unit 2: Business Structures and Processes

Tuesday 17 January 2017 – Morning
Time: 1 hour 30 minutes

Paper Reference
WBS02/01

You do not need any other materials.

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions in Section A and Section B.
- Answer the questions in the spaces provided
  – *there may be more space than you need.*

Information

- The total mark for this paper is 80.
- The marks for **each** question are shown in brackets
  – *use this as a guide as to how much time to spend on each question.*
- You should take care in your responses with your punctuation and grammar, as well as the clarity of expression.
- Calculators may be used.

Advice

- Read each question carefully before you start to answer it.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ▶

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SECTION A

Answer ALL the questions in this section.

Write the letter of your chosen answer in the box and then explain your choice in the space provided.

You should spend 30 minutes on this section. Use the data to support your answers where relevant. You may annotate and include diagrams in your answers.

1 Between July and September 2015 *Jaguar Land Rover* (*JLR*) reported that its sales in China had fallen by 32%.

(a) The **most likely** reason for this was due to

(1)

A *JLR*'s advertising campaign

B an economic slowdown

C a reduction in competition

D *JLR*'s strong brand image

Answer ☐

(b) Explain why this answer is correct.

(3)

(Total for Question 1 = 4 marks)

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2 *Salford City Football Club* currently sells 1,100 seats per game and this represents a capacity utilisation of 55% at its stadium.

(a) What is the maximum capacity at this stadium?

(1)

A 550

B 605

C 1,155

D 2,000

Answer ☐

(b) Explain why this answer is correct. (Show your working.)

(3)

(Total for Question 2 = 4 marks)

3 *Mercadona,* the leading Spanish supermarket chain, started using Total Quality Management (TQM) in 1993 for all its food production and distribution.

(a) The use of TQM should result in

(1)

A increased final inspections of food products

B a reduced number of food product defects

C increased wastage rates of food products

D reduced staff involvement in checking quality

Answer ☐

(b) Explain why this answer is correct.

(3)

(Total for Question 3 = 4 marks)

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4 *Mulberry*, an international fashion company, is famous for its exclusive leather handbags for women. It has a turnover of £148.7m in this niche market.

(a) Operating in a niche market is **most likely** to lead to

(1)

A increased PED

B lower prices

C less competition

D inferior goods

Answer ☐

(b) Explain why this answer is correct.

(3)

(Total for Question 4 = 4 marks)

5 Lars Zollinger supplies meat products to local restaurants. A new restaurant has approached him to discuss supplier credit terms and payments.

(a) Lars can **best** ensure payment from this new customer by

(1)

A insisting on cash when delivering the meat

B setting a credit limit based on likely risk

C checking the restaurant's credit rating

D seeking references from a previous meat supplier

Answer ☐

(b) Explain why this answer is correct.

(3)

(Total for Question 5 = 4 marks)

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6 *Samsung* uses a range of budgets to monitor the financial performance of its business.

(a) Which one of the following is *Samsung* **most likely** to be able to predict accurately in a budget?

(1)

A overtime payments

B cash sales

C rental costs

D raw material costs

Answer ☐

(b) Explain why this answer is correct.

(3)

(Total for Question 6 = 4 marks)

TOTAL FOR SECTION A = 24 MARKS

SECTION B

Answer ALL questions in this section.

You should spend 60 minutes on this section.

Evidence A: *Center Parcs* is all about family time



The *Center Parcs* concept is to provide luxury short holiday breaks in a forest environment, bringing families together and back to nature with high quality accommodation. It offers a range of excellent leisure facilities and has more than 200 indoor and outdoor activities. These range from sailing and archery to ten-pin bowling and children's cookery courses.

It operates five villages in the UK each set within 400 acres of natural woodland, with trees, streams and wildlife. At the heart of each village is a Subtropical Swimming Paradise, an extensive range of restaurants, cafés and retail outlets, as well as a Spa. Bookings can be made via its website and in 2015 this accounted for 82% of all total bookings made. It has excellent brand awareness with 98% of people being able to recognise the *Center Parcs* brand when asked.

Center Parcs targets the premium end of the UK family short break market, offering an escape from the stresses and strains of modern life. With recent trends showing an increase in family short breaks, particularly in the UK, the *Center Parcs* concept is more relevant today than at any point in its 27-year history in the UK.

Center Parcs proves more popular every year with a long-standing run of growth in terms of visitor numbers, revenue and profits. Guest satisfaction (% of guests ranking their break as excellent or good) remains at 96% with consistently high levels of repeat bookings. Occupancy rates for 2014–15 were 97.5% compared to 97.2% in 2013–14. Employee turnover was 24% in 2014–15, down from 25% in 2013–14.

(Source: adapted from http://www.centerparcs.co.uk/images/pdfs/annual_review_2015.pdf)

Evidence B: New Village in Ireland

In October 2015, *Center Parcs* submitted a planning application for a new village in Ireland. The company plans to develop a 395 acre site in County Longford, which will be its first venture into Ireland. The €233m development, named 'Longford Forest', will be ideally located in the middle of Ireland.

The planning application outlines the benefits that the project could have on both County Longford and the Irish economy. This will include adding €1bn to Ireland's GDP over a 20-year period and creating approximately 750 jobs during construction and a further 1,000 permanent jobs once operational. Subject to receiving satisfactory planning permission, Longford Forest could open to guests in 2019.

(Source: adapted from http://www.centerparcs.co.uk/press#/pressreleases/center-parcs-submits-planning-application-for-holiday-village-in-ireland-1243801)

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Evidence C: Our offer to you: Rewards and benefits

At *Center Parcs* we value our employees and want them to share in the success their hard work brings. Our reward package not only offers all you would expect from a large organisation, such as a pension, profit share, sick and holiday pay, but we also offer a great range of *Center Parcs* unique benefits that include:

- Discounted breaks – once a year you can treat yourself to a 60% discounted break at any of our UK villages. We'll also give you 25% off any additional breaks you book, and offer large discounts on last-minute breaks.
- Village discounts – up to 20% off whatever you buy in our retail outlets, restaurants and cafés.
- Day visitor passes – passes that can be used throughout the year to bring your friends and family to the village for a great day out.
- Free use of village facilities – including swimming pool, bike hire, gym, access to the Spa and some sports activities.

(Source: adapted from http://www.centerparcscareers.co.uk/rewards-and-benefits.asp)

Evidence D: Training and development: what you can expect

We offer our people a range of courses, most of which are developed by our very own specialists and delivered by our internal trainers along with external training partners. As well as the more traditional training courses, we provide e-learning programmes which you can access at any time once you join us.

Our programmes include:

Technical and Professional Training

These are specialist programmes designed to help you develop in your field or job, or ensure you have the right qualifications to perform your job. There are over 150 courses on our database, ranging from beauty therapy to tree identification.

ASPIRE Leadership Development Programme

This helps managers and aspiring managers develop their full potential – giving them the skills and competencies they need to progress in our business**.**

Work Based Apprenticeships

We deliver this nationally-recognised qualification in the workplace, in partnership with a college. Further qualifications are available to all employees, relevant to their job, after 8 weeks of employment. Additional qualifications for managers are open to those who have completed the ASPIRE programme.

(Source: adapted from http://www.centerparcscareers.co.uk/training-and-development.asp)

7 Explain **two** possible benefits to *Center Parcs* of being a recognised brand.

(Total for Question 7 = 6 marks)

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8 (a) Analyse **two** factors that may affect the price elasticity of demand for *Center Parcs'* short breaks.

(6)

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(b) Explain **two** possible difficulties *Center Parcs* might experience in sales forecasting for the new village in Ireland.

(6)

(Total for Question 8 = 12 marks)

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9 (a) Explain **one** method *Center Parcs* could use to promote the new village in Ireland.

(4)

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(b) Assess the methods *Center Parcs* could use to recruit employees for the new village in Ireland.

(8)

(Total for Question 9 = 12 marks)

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10 Assess the effectiveness of financial incentives and non-financial techniques to motivate employees of *Center Parcs*.

(12)

(Total for Question 10 = 12 marks)

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11 Evidence D shows the wide range of training programmes offered by *Center Parcs*.

Other than motivating employees, evaluate the consequences for *Center Parcs* of providing these training programmes.

(14)

(Total for Question 11 = 14 marks)

TOTAL FOR SECTION B = 56 MARKS
TOTAL FOR PAPER = 80 MARKS

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