

Write your name here

Surname

Other names

Centre Number

Candidate Number

Edexcel GCE

Business Studies
Advanced Subsidiary
Unit 2A: Managing the Business

Tuesday 2 June 2009 – Morning
Time: 1 hour 15 minutes

Paper Reference
6BS02/01

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.*
- You may use a calculator.

Information

- The total mark for this paper is 70.
- The marks for **each** question are shown in brackets
– *use this as a guide as to how much time to spend on each question.*
- Quality of written communication will be taken into account in the marking of your response to question 13 in Section B. This question is indicated with an asterisk.
– *you should take particular care with your spelling, punctuation and grammar, as well as the clarity of expression.*

Advice

- Read each question carefully before you start to answer it.
- Keep an eye on the time.
- 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.

You should spend 30 minutes on this section.

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

- 1** (a) A retailer is introducing a new and technically advanced Nintendo games machine into the market at the end of October. Supplies of a necessary component are limited. What is the most appropriate pricing strategy for the machine?

(1)

- A** Penetration Pricing
- B** Market Skimming
- C** Cost Plus
- D** Value and relationship

Answer

- (b) Explain why this answer is correct.

(3)

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(Total for Question 1 = 4 marks)



2 (a) In which stage of the Product Life Cycle is profit maximised?

(1)

- A Growth
- B Introduction
- C Decline
- D Maturity

Answer

(b) Explain why this answer is correct.

(3)

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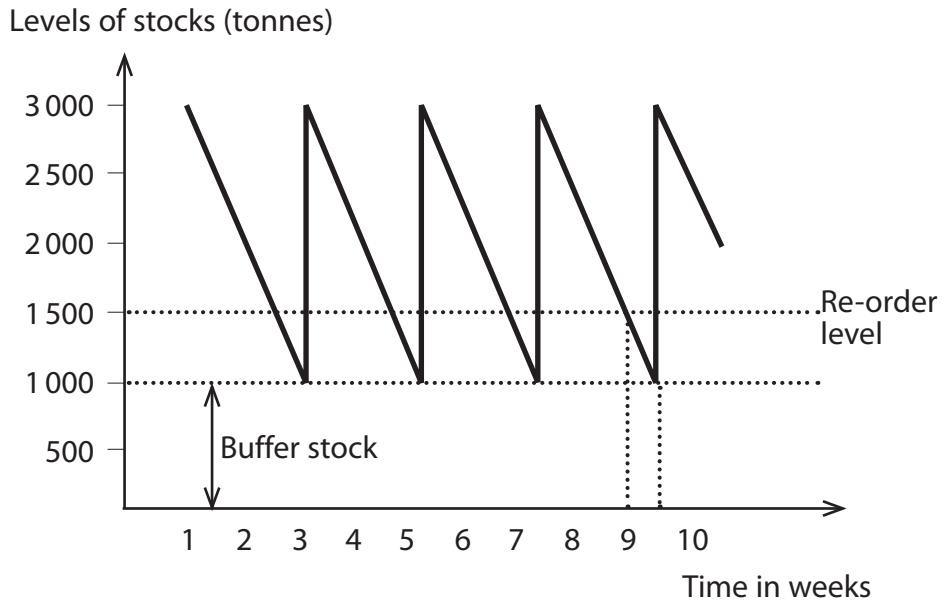
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(Total for Question 2 = 4 marks)



Questions 3 and 4 relate to this stock control graph of hops at a brewery.



3 (a) What is the re-order quantity?

(1)

- A 500 tonnes
- B 1 000 tonnes
- C 1 500 tonnes
- D 2 000 tonnes

Answer

(b) Explain why this answer is correct.

(3)

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(Total for Question 3 = 4 marks)



4 (a) Look again at the graph. Which **one** of the following statements is true?

(1)

- A The firm's buffer stock would last 7 days (one week) if a delivery was delayed.
- B The buffer stock represents unnecessary stock wastage.
- C The firm experiences fluctuating demand.
- D The firm will be worried about low stock levels in week 4.

Answer

(b) Explain why this answer is correct.

(3)

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(Total for Question 4 = 4 marks)



5 (a) Increased capacity utilisation is important for a business such as the car manufacturer Toyota to

(1)

- A minimise total costs.
- B minimise average costs.
- C increase sales.
- D minimise waste of materials.

Answer

(b) Explain why this answer is correct.

(3)

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(Total for Question 5 = 4 marks)



6 (a) Chocolate maker Green & Black's objective is to increase profit.

Which of the following is **most likely** to be their best tactic?

(1)

- A To find out where the company's products are in the Boston Matrix
- B To increase the price of products with price elastic demand
- C To cease advertising
- D To increase the price of products with price inelastic demand

Answer

(b) Explain why this answer is correct.

(3)

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(Total for Question 6 = 4 marks)

TOTAL FOR SECTION A: 24 MARKS



SECTION B

Answer ALL the questions in this section.

You are advised to spend 45 minutes on this section.

Evidence A

Egg is the world's largest purely online bank, established in 1998. It has a reputation for innovation in financial services and was set up in response to consumer demand for a more flexible approach to banking. Today it has more than 3.7 million customers. Egg is best known for its credit card business, but it also offers loans, savings accounts, investments, mortgages and insurance.

5

Egg's stated purpose is "to revolutionise customers' experience of financial services driven through unleashing the power of people". This is like a mission statement, in that it defines the way the company carries out its business. Egg knows its performance will determine its success in winning and keeping the confidence of its customers:

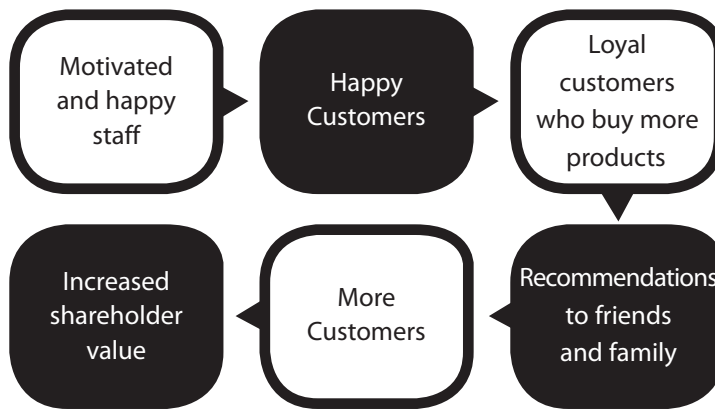


Figure 1

It is apparent from Egg's enduring purpose that it believes in the "power of people". First-rate performances by Egg people offer a first-rate service to its customers. When customers receive a great service, they will tend to buy more. This, in turn, will lead to greater shareholder value. Egg believes it is advantageous to build a strategy of motivation into its culture. Motivation is seen as essential and has been made part of the fabric of the company, known as "Egg DNA". Egg believes that to motivate people it is important to balance the needs and wants of the company with those of the individual.

10

15

'I want'

This refers to what the individual wants from their working life. It is discussed in a "Know Your People" conversation between the manager and the employee. This conversation is an important opportunity for the employee to talk about what motivates them, what they enjoy doing and what their future aspirations are. Egg endeavours to ensure these needs can be reached by, wherever possible, matching them into a role which takes account of what they want to achieve and thus "unleashing their power".

20

(Source: adapted from www.times100.com)



7 Egg's success in winning and keeping the confidence of its customers might be achieved by having motivated and happy staff (see Figure 1).

Explain **two** ways that staff training can contribute to having motivated and happy staff.

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(Total for Question 7 = 4 marks)

8 Other than by training, explain **two** ways Egg might unleash the power of its employees.

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(Total for Question 8 = 4 marks)



9 Egg's first product was an online credit card. Apart from product decisions, analyse **one** other aspect of the marketing mix which could have contributed to its rapid growth.

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(Total for Question 9 = 4 marks)

10 Egg believes it is advantageous to build a strategy of motivation into its quality culture.

(a) What is meant by the term 'culture'?

(2)

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(b) Egg believes happy staff will lead to greater shareholder value.

Explain the link.

(4)

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(Total for Question 10 = 6 marks)



***13** Egg is seeking to increase the flexibility of both staff functions and numbers working at any time. It is also concerned with work-life balance and diversity.

Evaluate the case for labour flexibility inside Egg.

A series of horizontal dotted lines for writing.



(Total for Question 13 = 12 marks)

TOTAL FOR SECTION B: 46 MARKS
TOTAL FOR PAPER: 70 MARKS

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