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 the 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 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.
• Quality of written communication will be taken into account in the marking of your response to Questions 7 (a) and 7 (b) in Section B. These questions are indicated with an asterisk * – you should take particular care on these questions with your spelling, punctuation and grammar, as well as the clarity of expression.
• Candidates are expected to be familiar with Evidence A to G for this paper before the examination.

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.
SECTION A

Evidence A to G was pre-issued before the date of the examination.

Using ALL the evidence and your own knowledge, answer all six questions (total 30 marks).

Time allowed (35 minutes).

Additional Evidence H

Government scrappage scheme provides some comfort

Amid the turbulence caused by Toyota’s product recall, the company can at least take some comfort from the news that the car scrappage scheme in the UK has been extended.

The scheme, which sees owners of cars at least 10 years old get £2 000 off the price of a new vehicle, had been due to finish in February 2010, but has been extended for another month.

The UK scrappage scheme has worked well for Toyota and its Burnaston plant in Derbyshire. Last year, staff had their hours cut by 10%. In August 2009, the factory returned to a full working week for a six-week period as a result of an increase in orders generated by the scrappage scheme.

(Source: adapted from an article in This is Business – East Midlands today.co.uk Friday, 5 February, 2010)
1. What is meant by the term 'competitive advantage'?

(Total for Question 1 = 2 marks)

Toyota undertakes investment appraisal and as a result forecasts Average Rates of Return.

2. What is meant by the term 'Average Rate of Return'?

(Total for Question 2 = 2 marks)
3 Explain how one stakeholder group might be affected by Toyota’s decision to recall some of its cars.

(Total for Question 3 = 4 marks)
4 Explain **one** possible effect of the car scrappage scheme on Toyota’s corporate strategy in the UK (see Additional Evidence H).

(Total for Question 4 = 4 marks)
Toyota has one of the widest product portfolios of any car manufacturer, from global bestsellers to expensive luxury models.

5 Analyse how Toyota might use the Boston Matrix to contribute to its corporate planning.
6 Assess the usefulness to Toyota of using decision tree analysis when it considered recalling its products.
SECTION B

Decision-making report

Using ALL the evidence and your own knowledge, answer both parts of the question (total 50 marks).

Time allowed (55 minutes).

7 *(a) Assess the importance of Toyota's corporate culture in influencing its response to concerns over the safety of its cars.

(20)
7 *(b) Assess Toyota’s performance between 2009 and 2010, using **ratio analysis** and any **other relevant information**.

(30)