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 I 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 I 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 J

SuperGroup share price slides after news of online discounting

Fashion retailer SuperGroup has seen its shares lose nearly a third of their value in the past month or so, after a sales slowdown sparked fears it could be losing its edge.

The company behind the Superdry brand is under pressure again after it offered online customers a 20% off everything in-store at the weekend, a change to its policy of not discounting.

Needless to say, the stores weren’t offering 20% off to everybody, which could lead to confusion and resentment amongst its key stakeholder group: customers. Superdry will need to make sure that its corporate strategy of growing online sales doesn’t damage the retail business.

A stock market analyst said: 'The online promotion aims to reward internet users – a similar tactical decision successfully adopted in the past to reward student union customers. This action, in our view, should not be seen as a change in strategy and not in any way a change in policy regarding discounting'.

1. What is meant by the term ‘stakeholder’ (see Additional Evidence J, line 11)?

(Total for Question 1 = 2 marks)

2. What is meant by the term ‘tactical decision’ (see Additional Evidence J, line 15)?

(Total for Question 2 = 2 marks)
3 Explain one way in which the decision to offer the 20% discount (Additional Evidence J) might fit with SuperGroup's corporate objectives (Evidence B).

(Total for Question 3 = 4 marks)
4 Explain one way in which Superdry’s expansion (Evidence C) might lead to diseconomies of scale.

(Total for Question 4 = 4 marks)
5 (a) Using Evidence H, calculate SuperGroup’s Acid Test Ratios for 2010 and 2011. (4)
(b) Assuming the industry average Acid Test Ratio is 1.2, use your results from 5(a) to comment on SuperGroup's liquidity position.

(Total for Question 5 = 8 marks)
Superdry’s history (Evidence A, lines 7 – 16) is one influence on the corporate culture of the company.

6 Assess the likely impact of company history in shaping Superdry’s corporate culture.
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 Superdry’s corporate strategy with the aid of Porter’s strategic matrix.  (20)
*(b) Evaluate the importance of **Corporate Social Responsibility** to SuperGroup’s stakeholders. (30)*