

Paper Reference 8BS0/02
Pearson Edexcel
Level 3 GCE

Business

Advanced Subsidiary

Paper 2: Managing business activities

Friday 26 May 2017 – Afternoon

Data Book

In the boxes below, write your name, centre number and candidate number.

Surname					
Other names					
Centre Number					
Candidate Number					

INSTRUCTIONS

There may be spare copies of some data sheets in case you need them.

**THIS DATA BOOK MUST BE RETURNED WITH
THE QUESTION PAPER AT THE END OF THE
EXAMINATION.**

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SECTION A

Extract A

The Posh Pasty Company

The Posh Pasty Company was set up in 2013 in the popular seaside town of Fowey by TV chef James Strawbridge and his wife Holly. Capital was raised through the crowd funding website www.crowdfunder.co.uk. This enabled them to rent and equip a small factory. The Posh Pasty Company uses the highest quality local ingredients to manufacture several flavours of pasty. The pasties are sold and delivered to delicatessens and cafes across southern England.

Batch production is used in the factory to manufacture the pasties. In 2015, capacity utilisation was 92%. James and Holly regularly review the financial performance of each variety of pasty, by examining historical figures for sales revenue and total cost. This enables them to perform a variance analysis.

(Source: adapted from <http://poshpasty.co/about-us/who-we-are/>)

Extract B**Selected information from The Posh Pasty Company's budget, July 2015**

	Steak and stout pasty (£)
Budgeted sales revenue	12 250
Actual sales revenue	14 370
Budgeted total costs	4 210
Actual total costs	5 890

(Source: interview with James Strawbridge 7/1/16)

SECTION B

Extract C

Selected information from Burberry plc's 2015 statement of comprehensive income

	£m
Revenue	2 523·2
Cost of sales	(757·7)
Other operating expenses	(1 325·2)
Operating profit	440·3

(Source: adapted from http://www.burberrypkc.com/documents/ar-1415/burberry_financial_statements_2014_15.pdf)

Extract D

Burberry plc proposes a new £50 million factory in Leeds

Burberry plc is a luxury fashion company that produces and retails high-quality clothes, leather goods and fashion accessories. These items are sold for premium prices, with a typical Burberry trench coat selling for £1 500. From 2018, this product will be manufactured in its new Leeds factory. This factory will replace two other factories in Yorkshire and will allow Burberry plc to improve productivity, resulting in waste minimisation. Using the latest technology, the new factory will be able to increase trench coat production by 300%.

The factory will use a Just in time (JIT) stock management system and will hold limited buffer stocks of raw materials. Burberry plc also intends to improve the training of its staff so that the effectiveness of its quality management increases. Burberry plc currently uses quality assurance to ensure that its products meet customer expectations.

(Source: adapted from <http://www.telegraph.co.uk/finance/newsbysector/retailandconsumer/11973538/Burberry-backs-Britain-by-opening-new-trench-coat-factory-in-Leeds.html>)

SECTION C

Extract E

Global demand increases for McLaren Ltd's supercars

Increased demand for £1 million supercars in Asia and the Middle East has allowed McLaren Ltd to generate
5 profits of £15 million in 2015, an annual increase of 223%. McLaren Ltd makes high-performance sports cars, which it sells to wealthy individuals across the world. The company is based in Woking, Surrey and produces its cars in a high-technology factory
10 which resembles a hospital, due to the high levels of cleanliness.

Lean production methods are used in the factory and its aim is to produce the perfect car with zero defects. It is this commitment to quality and giving the
15 customer what they want which has allowed McLaren Ltd to gain a competitive advantage in the premium sports car market.

(Source: adapted from <http://www.thisismoney.co.uk/money/markets/article-3139313/Petrolheads-spare-1m-spend-helped-McLaren-Automotive-post-pre-tax-profit-hike-233-cent-15m.html>)