

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 21 January 2014 – Afternoon

**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.*
- In your responses, you should take particular care with punctuation and grammar, as well as the clarity of your 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 ►

P44570A

©2014 Pearson Education Ltd.

6/6/1/1/2



**PEARSON**













## SECTION B

Answer ALL questions in this section.

You should spend 60 minutes on this section.

### Evidence A The Low Cost, No Frills Airline

*Ryanair* (founded 1985) is Europe's only ultra-low cost airline, operating more than 1,500 flights per day across 28 countries, connecting 178 destinations. *Ryanair* currently employs more than 8,500 people. In 2012–2013, passenger traffic grew by 5% to 79.3 million, revenues increased by 13% to €4.8 billion and profit was up 13% to €569 million.

In summer 2013, *Ryanair* added another 200 routes and seven new bases, including Marrakesh in Morocco. This should help the number of passengers to increase to 81.5 million in 2014. 5

Although they still have the lowest fares in Europe, *Ryanair's* average fares rose by 6% over the year. But the biggest revenue-earner came from a 20% jump in sales of additional services such as reserved seating, which brought in €1.06 billion – or 22% of total revenue. 10

(Source adapted from: [www.managementtoday.co.uk/go/ryanair/](http://www.managementtoday.co.uk/go/ryanair/))

### Evidence B Extract From *Ryanair's* Careers page

The source material has been removed due to copyright reasons.





**Evidence C Low Cost but at a price...**

Ryanair's cost per passenger is the lowest in Europe by some margin, with main rival easyJet being 67% higher than that of Ryanair. Ryanair uses smaller, lower cost airports with faster turnaround times of only 25 minutes, which allows the airline to maximise aircraft utilisation. It also benefits from high seat density (189 seats per aircraft, compared with 156 seats for easyJet) with an aircraft capacity utilisation of 82%.

5

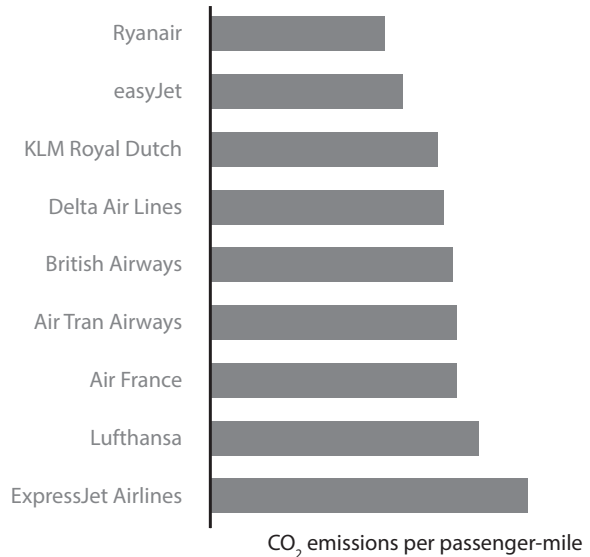
Ryanair has a younger fleet of aircraft giving them advantages of fuel efficiency and lower maintenance costs. In addition, Ryanair's labour force is more productive and flexible: 50% of flight crew are contracted and employed only when required.

There is a downside to cutting costs and Ryanair is frequently featured in surveys as having one of the weakest brands in European aviation. Ryanair is seen as mean, uncaring and money-grabbing, and social media sites are used to reinforce this image as well as complain about poor customer service. Despite this, passenger numbers are set to rise by 4-5% per annum with 98% of all tickets booked online.

10

# RYANAIR

## EUROPE'S GREENEST AIRLINE



(Source adapted from: [www.centreforaviation.com/analysis/ryanair-swot-analysis--michael-olearys-maniacal-focus-on-being-the-lowest-cost-producer-96465](http://www.centreforaviation.com/analysis/ryanair-swot-analysis--michael-olearys-maniacal-focus-on-being-the-lowest-cost-producer-96465))









9 (a) Explain **one** impact on *Ryanair* of having a poor brand image.

(4)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Before opening its new route to Marrakesh, *Ryanair* needed to prepare budgets.

(b) Assess the likely usefulness of budgeting to *Ryanair* when opening a new route.

(8)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....



Handwriting practice area with 20 horizontal dotted lines.

**(Total for Question 9 = 12 marks)**









**BLANK PAGE**  
**QUESTION 11 STARTS ON NEXT PAGE.**





Lined writing area for question 11.

**(Total for Question 11 = 14 marks)**

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





**BLANK PAGE**

