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| Centre No. | | | | | | | Paper Reference | | | | | Surname | Initial(s) | |
| Candidate No. | | | | | | | 4 | 3 | 3 | 0 | / | 2 | H | Signature |

Paper Reference(s)

4330/2H

Edexcel IGCSE

Business Studies

Unit 2H

Higher Tier

Friday 9 May 2008 – Morning

Time: 1 hour 30 minutes

Examiner's use only

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Team Leader's use only

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Materials required for examination

Nil

Items included with question papers

Nil

Instructions to Candidates

In the boxes above, write your centre number, candidate number, your surname, initials and signature. Check that you have the correct question paper. Answer ALL the questions. Write your answers in the spaces provided in this question paper. Do not use pencil. Use blue or black ink.

Information for Candidates

The marks for individual questions and the parts of questions are shown in round brackets: e.g. (2). There are 3 questions in this question paper. The total mark for this paper is 60. There are 12 pages in this question paper. Any blank pages are indicated.

Advice to Candidates

You will be assessed on your ability to organise and present information, ideas, descriptions and arguments clearly and logically, including your use of grammar, punctuation and spelling.

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Read this page, then answer the questions which follow.

Context

Bojup Construction Ltd, known as *BC*, builds houses and flats (apartments) for people to live in. It sells these houses and flats to the public. *BC* faces a lot of competition from other builders.

BC's offices are located in the south of England. Most of its work is in this area, and most of its sales are to people living locally. *BC* employs local workers, some of whom construct the houses and flats, such as

- bricklayers, who build the outside walls of the houses and flats
- carpenters, who work on the wooden parts of the houses and flats
- plumbers, who make sure water is connected correctly
- electricians, who make sure the electrical systems are safe.

These are skilled specialist workers, who use a lot of specialist building equipment.

BC is now building a small block of flats.



1. *BC* is advertising for people to work in its Finance Office. When appointed, these employees will attend an induction training programme lasting two days.

(a) (i) What is the purpose of an induction training programme?

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..... (2)

(ii) Give **three** examples of items that should be in the induction training programme for new employees at *BC*'s **Finance Office**.

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..... (3)

The new employees will have job security through their contract of employment.

Job security is one of Herzberg's **hygiene factors**. These employees will have the chance to develop and be promoted, which is one of Herzberg's **motivators**.

(b) Compare Herzberg's hygiene factors and motivators as ways for the directors of *BC* to motivate their employees.

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..... (5)



Some of *BC*'s employees receive bonuses if they meet productivity targets.

(c) (i) What is meant by the term 'productivity'?

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(2)

(ii) How could *BC* increase its productivity?

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(2)

BC has recently introduced a Total Quality Management (TQM) system.

(d) Discuss whether TQM will be important to *BC*.

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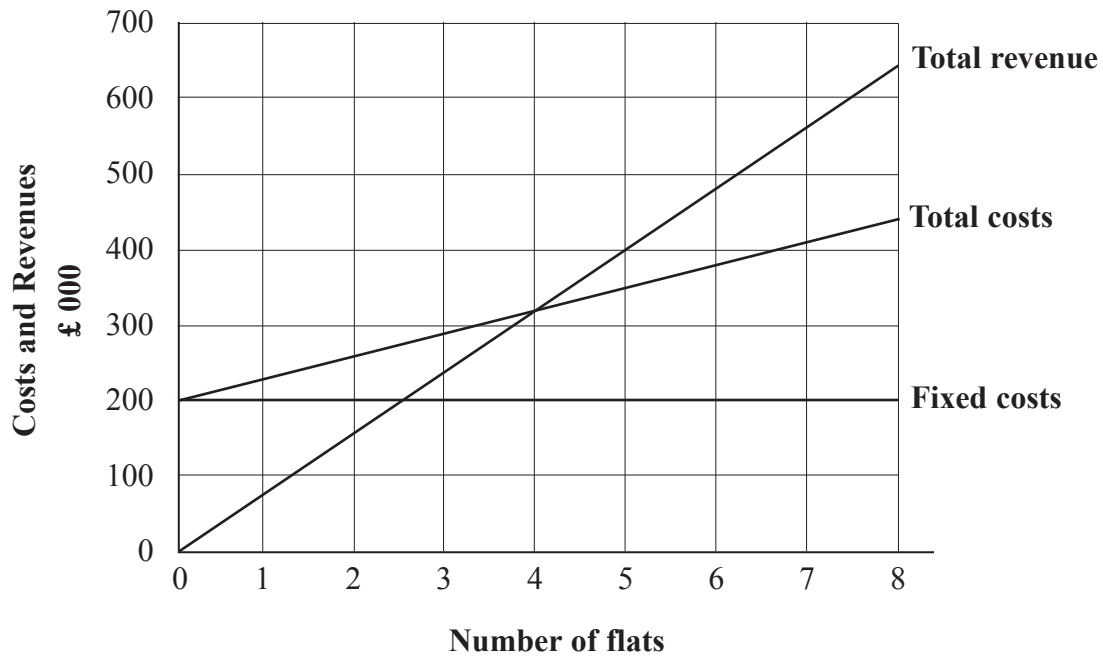
Q1

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2. *BC* has a project to construct a building that contains eight flats (apartments). The directors have been given the break-even graph below, which shows the costs and revenues for this project.

Break-even graph showing costs and revenues for an eight-flat building



Using the information in the above break-even graph, answer the questions below.

- (a) (i) How much are the fixed costs for this project? £ (1)
- (ii) Calculate the variable cost for each flat. £ (1)
- (iii) Calculate the selling price for each flat. £ (1)
- (iv) How many flats must *BC* sell to break even? £ (1)
- (v) Calculate the profit or loss *BC* will make if it sells all the flats. (State clearly whether it is a profit or a loss.) £ (1)



(b) To what extent is break-even analysis likely to help house builders such as *BC* in making business decisions?

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(5)

As well as the break-even graph, the directors have the most recent final accounts for *BC*.

(c) Analyse why *BC* prepares both a Profit & Loss Account and a Balance Sheet.

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(4)



Some of the work carried out by *BC* is very labour-intensive. People who are skilled in different aspects of building work – for example, bricklayers, carpenters, plumbers and electricians – are employed.

(d) (i) What is meant by the term ‘labour-intensive’?

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(2)

(ii) Analyse **one** benefit and **one** drawback to *BC* from employing skilled workers rather than unskilled workers.

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(Total 20 marks)

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3. The directors of *BC* use different forms of market research and advertising.

(a) (i) What is the difference between primary and secondary market research?

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(2)

(ii) What is the difference between persuasive and informative advertising?

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(2)

BC has built new houses in a small town. They will be advertised for sale in the town's local newspaper, and on local radio broadcasting to this town and nearby towns.

(b) Discuss the suitability of using **both** these media to advertise the new houses for sale.

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The directors of *BC* have set the following objectives for the next financial year.

- To start building houses outside the United Kingdom.
 - To increase net profit by 2 per cent.
 - To train staff in using computers.
- (c) Assess the extent to which having these objectives will help *BC* survive in its competitive market.

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(Total 20 marks)

Q3

TOTAL FOR PAPER: 60 MARKS

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