Centre No.					Pape	r Refer	ence			Surname	Initial(s)
Candidate No.			4	3	3	0	/	2	H	Signature	

Paper Reference(s)

4330/2H

## **Edexcel IGCSE**

### **Business Studies**

Paper 2H

# **Higher Tier**

Wednesday 17 November 2010 – Morning

Time: 1 hour 30 minutes

Materials required for examination	Items included with question papers
Nil	Nil

#### **Instructions to Candidates**

In the boxes above, write your centre number, candidate number, your surname, initial(s) 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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Turn over

**Total** 

Examiner's use only

Team Leader's use only

1

2

3

Leave



M37703A\_IGCSE\_Business\_Studies\_21 1 09/07/2010 09:15:39

#### Read this page, then answer the questions which follow.

#### **Context**

*Joan's Taxis* is a business located in the United Kingdom. Joan is the owner, and runs the business as a sole trader. Joan's business is expanding, and she is currently recruiting and training new taxi drivers.

The taxis that Joan uses are manufactured by *Merchant Motors Ltd*, a company that uses flow production methods to make taxis.

The directors of *Merchant Motors Ltd* plan to start making motor vans and other commercial vehicles as well as taxis. They will need to recruit more employees to make these vans and commercial vehicles. Both *Joan's Taxis* and *Merchant Motors Ltd* value the importance of induction training.



(a)	(i)	Give <b>one</b> example of a suitable source of finance for <i>Joan's Taxis</i> , and <b>different</b> example for <i>Merchant Motors Ltd</i> .
	(ii)	Give <b>one</b> example of a suitable use of profits for <i>Joan's Taxis</i> , and <b>one differ</b> example for <i>Merchant Motors Ltd</i> .
Mer	rchai	nt Motors Ltd makes its taxis using the flow (mass) method of production.
		nt Motors Ltd makes its taxis using the flow (mass) method of production.  State <b>two</b> features of flow production.

3

Turn over

(ii)	Evaluate <i>Merchant Motors Ltd</i> 's decision to use flow production when making its taxis.
	(8)

Leave blank

(c) \	What would be the advantages to the directors of using <b>both</b> primary and secondary
ľ	market research to see whether there is a market for these motor vehicles?
	(6)
	(Total 20 marks)
	(Total 20 marks)



Turn over

5

Ме	erchant Motors Ltd is market-oriented.
(a)	What is meant by 'market-oriented'?
(a)	what is meant by market-oriented:
	(4)
Ме	o (person) specifications are used when new employees are recruited and selected by <i>erchant Motors Ltd</i> .  Discuss the role of job (person) specifications when recruiting and selecting new employees for <i>Merchant Motors Ltd</i> .
Ме	erchant Motors Ltd.
Ме	Discuss the role of job (person) specifications when recruiting and selecting new
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Ме	Discuss the role of job (person) specifications when recruiting and selecting new employees for <i>Merchant Motors Ltd</i> .

Leave blank

	Current Ratio	4.00:1 (4 to 1)	Acid Test Ratio	0.75:1 (0.75 to 1)
(c)	Using this informa	tion, analyse the li	quidity position of M	Merchant Motors Ltd.
				(4
				(4)
Moi	vehant Motors Ltd o	nerates a system o	f budgeting	
	rchant Motors Ltd o			(4)
	Give <b>two</b> examples to have.	s of budgets that a	business such as Me	(4)
	Give <b>two</b> examples to have.	s of budgets that a	business such as Me	erchant Motors Ltd is likely
	Give <b>two</b> examples to have.	s of budgets that a	business such as Me	erchant Motors Ltd is likely
	Give <b>two</b> examples to have.	s of budgets that a	business such as Me	erchant Motors Ltd is likely



Turn over

7

Analyse how budgeting can help the directors of <i>Merchant Motors Ltd</i> in this situation.
(4)
(Total 20 marks)

3.		e directors of <i>Merchant Motors Ltd</i> will recruit new employees to make the new motor as and commercial vehicles.
		e new employees will go on the induction training course of <i>Merchant Motors Ltd</i> . The urse takes place at the company's Head Office and lasts for 45 minutes.
	On	the induction training course, the new employees spend
	•	20 minutes watching a video about how <i>Merchant Motors Ltd</i> was started 60 years ago
	•	15 minutes touring the Head Office of <i>Merchant Motors Ltd</i> (they do not visit the factory floor)
	•	10 minutes meeting the Personnel (Human Resources) Manager.
	(a)	Evaluate the likely effectiveness of this induction training for the new employees.
		(8)
		(6)



9

Turn over

Leave
blank

**(4)** 

Two business objectives for Merchant Motors Ltd are

- to have a 5% market share of the commercial vehicle market in the United Kingdom by the end of 2012
- to improve profitability.

(b) (1)	Show <b>two</b> ways that <i>Merchant Motors Ltd</i> might gain a 5% market share of the commercial vehicle market in the United Kingdom.



		Leave blank
(ii)	To what extent will achieving 'a 5% market share of the commercial vehicle market in the United Kingdom by the end of 2012' stop <i>Merchant Motors Ltd</i> from achieving the other business objective: 'to improve profitability'?	
	(8)	Q3
	(Total 20 marks)	
	TOTAL FOR PAPER: 60 MARKS	
	END	



