

# Pearson LCCI

## Certificate in Business Principles and Practice (VRQ) Level 1

Sample assessment material for first teaching  
from March 2012  
**Time: 2 hours 30 minutes**

Paper Reference

**ASE20074**

Complete the details below in block capitals.

Candidate name

Centre Code

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Candidate Number

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Candidate ID Number

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Total Marks

**You do not need any other materials.**

### Instructions

- Use **black** ink or ball-point pen  
– pencil can only be used for graphs, charts, diagrams, etc.
- **Fill in the boxes** at the top of this page with your name, candidate number, centre code and your candidate ID number.
- Answer **all** questions.
- You should spend the first **15 minutes** reading through the tasks and making notes.
- Answer the questions in the spaces provided  
– there may be more space than you need.

### Information

- The total mark for this paper is 100.
- The marks for **each** question are shown in brackets  
– use this as a guide as to how much time to spend on each question.
- You may use an English or bilingual dictionary.

### 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 ►

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**Answer ALL questions. Write your answers in the spaces provided.**

**1** Primary Care Services Limited already operates a number of successful private hospitals and now wishes to implement a growth strategy to set-up a range of private drop-in health centres located in city centres. The company is planning to carry out external strategic analysis to help in the development of the growth strategy.

(a) Describe **two** factors that could influence the external environment of the company.

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(b) Describe the elements within Porter's Five Force Analysis framework.

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(b) Identify **two** methods of production that Gym Designs plc could possibly use in their production process, giving reasons.

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(c) Suggest **three** economies of scale and **two** diseconomies of scale which may arise as a result of Gym Designs plc new contract.

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(d) Describe **two** sources of finance which the company could use to finance the capital investment in new technology.

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**(Total for Question 3 = 20 marks)**

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4 Tastebuds Ltd specialises in the production of ready-made meals, which it supplies to major national supermarkets. The industry is very competitive and so the company plans to launch a range of low calorie ready meals sourced from environmentally-friendly products and fair trading practices

(a) Explain what is meant by **Corporate Social Responsibility** (CSR) and state **three** ways in which the new product range shows Tastebuds Ltd. commitment to CSR.

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(b) Explain why Corporate Social Responsibility is important to Tastebuds Ltd., considering the industry it which it operates.

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(c) Describe what is meant by **management information** and assess how it could help Tastebuds Ltd. in the planning phase of the new product range.

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(d) Describe how shareholders and employees could benefit from the successful launch of the new product range.

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**(Total for Question 4 = 20 marks)**

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(b) Explain why it is important for managers to motivate their staff.

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(c) Identify **two** types of financial and **two** types of non-financial motivators that may be used to motivate staff.

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(d) Explain what is meant by corporate culture and identify three factors that affect the development of corporate culture.

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**(Total for Question 5 = 20 marks)**

**TOTAL FOR PAPER = 100 MARKS**

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