

Pearson LCCI

English for Business

Level 3

Friday 4 April 2014

Time: 3 hours

Paper Reference

ASE3041

You will need:

An answer book

Instructions

- Do **not** open this examination paper until you are told to do so by the supervisor.
- Use **black/blue** ink or ball-point pen
– *pencil can only be used for graphs, charts, diagrams, etc.*
- Ensure your answers are written clearly.
- Begin your answer to each question on a new page.
- Write on both sides of the page.
- All answers must be correctly numbered but need not be in numerical order.
- If you need more space, use the additional sheets provided. Write your name, candidate number and question number on each sheet and attach them to the inside of your answer book. State the number of additional sheets attached on the front of your answer book.
- Answer **all** questions.
- Ensure that you communicate appropriately and well.
- When you finish, cross through any rough notes and preparatory work.

Information

- The total mark for this paper is 100.
- There are four questions in this question paper
– *each question carries equal marks.*
- The marks for **each** question are shown in brackets
– *use this as a guide as to how much time to spend on each question.*
- There is credit for correct spelling, punctuation and grammar.
- You may use an English or bilingual dictionary.

Advice

- Read each question carefully before you start to answer it.
- Check your answers carefully if you have time at the end.

Turn over ►

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Answer ALL questions.

1 Situation

You are employed as an administrator in the Planning Department of your local council. The council is the branch of local government in your area that controls how your city is administered.

The main role of the Planning Department is to ensure that all government regulations concerning new buildings, and the development of existing buildings, are followed. One of your roles is to liaise with local residents who oppose any building development.

The Head of Department, Chief Planning Officer Paul Liemin, has mentioned to you that he has received a number of objections to a development from residents of one street in the city, Grove Avenue. This is a residential avenue in a very affluent area of the city, the Bay View area. He said this to you today:

“Something strange is happening. We’ve received many letters from people who live in Grove Avenue opposing the development of two large houses into blocks of small apartments. In fact, there have been no applications for this to happen! Look at this letter – I’ll read part of it:

(reads) ‘I would like to oppose the development of properties at number 32 and 59 Grove Avenue for use as apartment blocks. The properties in the avenue are family houses and it would detract from the area if these properties were to become apartment blocks. Small apartments will attract a different kind of resident, which will change the whole character of the neighbourhood. Also, if several people move into a property that is now occupied by one family, inevitably this will lead to more cars in the road. We already have problems with too much traffic and insufficient car parking spaces ...’

“And so it goes on!

“I must say, Grove Avenue is a lovely part of town. I wish I could afford a house there! But car parking has been a problem in the past.

“Well, as you know, if anyone did wish to convert a family home into apartment blocks, they would have to apply to us for permission, and we would ask the neighbours for their views. But, at the moment, there is nothing we can do as there have been no applications!

“The best thing we can do is write to each resident in Grove Avenue to reassure them about the present situation. I’d like you to do this; they can all receive the same letter, but you can ‘personalise’ the letter to each individual householder. Before you do so, have a word with the Planning Officer of the Bay View area to make sure you’ve got all the details correct.”

The Planning Officer says this to you:

“The regulations are very clear. Changing a family home into a block of apartments is called a ‘change of use’ and anyone who wants to do this must get planning permission from us. Mr Liemin is quite correct in what he says – we would consult the other residents of the avenue if we receive an application. If there was opposition to the development, our Planning Committee would decide if the plan could go ahead. We have not received any applications about properties in Grove Avenue. If anybody went ahead with such a development without permission, well, they would be in big trouble! We would certainly take some sort of action. You had better not be specific as I’m not sure what we would do – but we would certainly do something!”

You happen to know a resident of Grove Avenue who tells you that the two properties at 32 and 59 have recently been sold to a developer who has told residents that he plans to convert them into apartment blocks, as he can make a lot of money from renting the apartments.

Task

Write the letter as Mr Liemin has requested. You can assume that the council’s headed notepaper is used but you should include all other components of a personalised business letter.

(Total for Question 1 = 25 marks)

2 Situation

You are employed as an administrator by a company, *Bulbs and Blooms*. The company supplies flowers, plants and floral displays, from sources all over the world, to customers who can order what they require by telephone, post or online. The order is then despatched by means of various delivery services.

The Company Manager, Mr Henry Fischer, recently said this to you:

“As you know, it will soon be time for us to make our presentation to the Company Directors at our Annual General Meeting. All the financial figures seem to indicate that we did quite well in 2013, but I have had a request that we should include some information about the number of complaints we received from customers. I know you keep all the details about complaints, so could you please produce a report for me, which I can then include in my overall report on progress? Don’t just give me the figures – please try to explain them and give an outline of the main issues. Of course, you should not produce any recommendations. That’s the job of the Directors.”

Your file of notes on customer complaints is as follows.

Number of complaints received each month over the last 3 years.

Number of Complaints				
Month	2011	2012	2013	Comments for 2013
January	13	14	9	
February	14	15	11	
March	14	12	21	Major computer problems at our company
April	18	16	13	
May	17	13	10	
June	16	12	15	Main delivery contract goes to delivery company 'Quickparcel'
July	18	11	16	'Quickparcel' has operational difficulties
August	13	13	13	
September	16	12	10	
October	14	10	7	
November	16	8	4	
December	17	7	12	Severe weather conditions in HQ area
Total	186	143	141	

Summary of main causes of complaints in 2013

Late deliveries	47%
Expensive products	29%
Attitude of staff	14%
Quality of products	9%
Non-delivery of order	1%

Comments from staff for 2013

"If it hadn't been for the problems we had with our new delivery company in the middle of the year, the number of complaints would have been significantly reduced."

"It is interesting that we have had fewer complaints about the quality of our products this year, but more customers are unhappy with our prices."

"I'm pleased that we got over the problems that we had with our online service, in February or March, was it? We had a lot of angry customers then."

Task

Write the report as requested by Mr Henry Fischer.

(Total for Question 2 = 25 marks)

3 Situation

You work for a company that manufactures specialist computer-aided design equipment. The equipment requires expensive components to be used in its manufacture, and the process also requires the input of a great deal of skilled labour. As the manufacturing process is highly expensive, the company can face financial difficulties before it receives payment for its finished goods.

You have heard of a specialist finance company, *Perfect Partnerships (PP)*, which can offer a service to solve such a problem. You recently attended a presentation by Maria Muldoon, PP's Commercial Director. The presentation was as follows.

Good morning. First of all, let me outline a scenario. Does this sound familiar to you? A small or medium-sized enterprise, with a sound product to sell, faces difficulties. Financial problems arise because of the initial outlay in purchasing raw materials from its own suppliers and the subsequent delay in receiving payment for the finished product, even though this is a highly profitable transaction. Yes, many, if not all of you, will recognise what can be referred to as the 'funding gap'.

So what can you do to resolve this? You could apply for a short-term loan from a bank to bridge this funding gap. Unfortunately, banks are often reluctant to lend their funds under these circumstances, or the interest rate charged is prohibitive. You could ask for a deposit up-front from the purchasers of your end product. Good luck to you! In this competitive world, a company that does not press for a deposit will always be at an advantage. Of course, your problems could be compounded if you yourselves have to pay a deposit for your supplies, rather than paying the full amount later when you receive the payment from your customers.

Well, you do now have another possible solution. My company, Perfect Partnerships, has been trading for five years and we operate along the lines of an old-fashioned merchant bank, the type of institution that has long since been confined to history. We provide a logistic service which can include arranging transport and sorting out any international issues, such as import duties, if the transaction is international.

However, the main service we offer concerns how goods are bought and sold. I'll explain what happens. We actually purchase the raw materials from your suppliers. When the products are completed and delivered, the end customer pays us and we pay an agreed level of profit to you.

We don't pretend this is a perfect solution; you do not receive the settlement of your invoice any earlier but you do not have to make the initial outlay for supplies. There is another advantage that some of you might have spotted. We take the risks involved in the transaction. If the end customer defaults on payment for the order, it is our loss. This creates a greater feeling of security for you. And don't forget, it offers reassurance to your customers. They know that after they have given you their order, they will not lose out if your company collapses because of cash flow problems. Indeed, some of our clients take our staff with them when they pitch for new business. The end customers can be reassured that if they place an order they will definitely receive the goods as we are funding the supply chain.

Of course, I should say that we do not provide this service purely for philanthropic reasons! We are highly experienced professionals and we make a profit from selling our services. So we benefit, but so do you and so do your customers. This could be described as a 'win-win-win' situation.

Task

Answer the following questions, **in your own words as far as possible**, to show that you have understood what was presented.

- (a) What is meant by the term 'funding gap'? (5)
- (b) Why is it not considered advisable to ask for a deposit from a customer before the product is completed? (2)
- (c) What is meant by a 'logistic' service, and what examples are given? (3)
- (d) What are the financial arrangements of the service Perfect Partnerships offers? (4)
- (e) What is meant by the phrase "we do not provide this service purely for philanthropic reasons"? Why does Perfect Partnership provide these services? (4)
- (f) Why is it suggested that this is not 'a perfect solution'? (2)
- (g) Why is it said that Perfect Partnerships 'takes the risk'? (2)
- (h) Why do some companies take Perfect Partnership staff with them when they are attempting to gain new business from another company? (3)

(Total for Question 3 = 25 marks)

Question 4 starts on the next page.

4 Situation

You are employed in the Human Resources Department of a large manufacturing company. The company is based in a large industrial estate on the outskirts of the city. Because there are few facilities in the district near the company, various services are provided on the company premises; there is a shop selling various items and there is currently a branch of *Central Area Bank*. The national headquarters of this bank has notified the company that this branch will close in three months' time.

The Manager of the Human Resources (HR) Department, Ms Manjit Kaur, has said this to you:

"This is very unfortunate. As you know, Central Area Bank has had a branch within the company for over 20 years now. Actually, it has been 25 years – it opened just after I started to work here. I'd like you to send a memo to all staff. We'd better let them know about this as soon as we can, but not before you have a word with people from the bank. I'd like to know more about the reasons for the closure of the branch. Have a word with Central Area Bank, please. See if there's anything they can offer – maybe they could install a cash machine."

You contact the Regional Manager of Central Area Bank who says this to you:

"We regret that we must close this branch from 1 August 2014, but it is simply not a sustainable proposition to keep it open. Usage of the branch has diminished by 50% over the last two years, which reflects the changing nature of how customers use banking services. Most customers now go online to pay bills, request statements and check balances etc. The continuing use of credit and debit cards has substantially reduced the number of cash transactions taking place. Cheques are rarely used now and customers can obtain cash from the many cash machines (ATMs) that are available 24 hours a day in most parts of town. This is not the only branch we are closing; it is part of our ongoing programme of branch closures that we are undertaking, and our actions are mirrored by all major banks. In fact, our closure programme has not been as drastic as that of our rivals."

You asked if the bank would be able to install a cash machine and the Regional Manager said they would consider this. You also spoke to the proprietor of the company shop who reported that business was good and they had no plans to close.

When you report this to Ms Kaur, she asks you to proceed to send a memo to all staff explaining the reasons for the bank's decision to close the branch. She adds this:

"For goodness sake, stress that this is not our decision and we are sorry about it. I've had a word with a few other banks and none are interested in taking over the branch. What a shame! However, try to reassure everyone that we'll do our best to help them!"

Task

Write the memo that could be sent to all members of staff.

(Total for Question 4 = 25 marks)

TOTAL FOR PAPER = 100 MARKS