



National
Qualifications
2015

X710/75/11

Business Management

MONDAY, 11 MAY

1:00 PM – 2:30 PM

Total marks — 70

SECTION 1 — 30 marks

Attempt BOTH questions.

SECTION 2 — 40 marks

Attempt ALL questions.

Write your answers clearly in the answer booklet provided. In the answer booklet you must clearly identify the question number you are attempting.

Use **blue** or **black** ink.

You may use a calculator.

Before leaving the examination room you must give your answer booklet to the Invigilator; if you do not, you may lose all the marks for this paper.



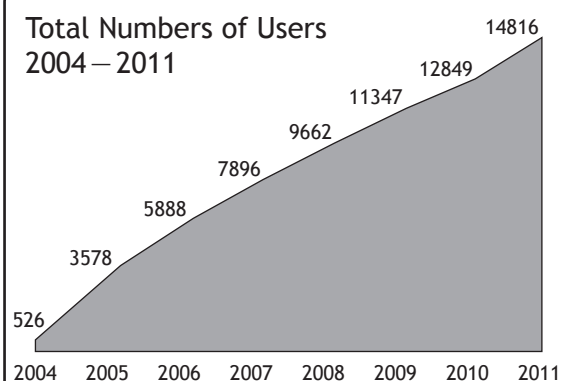
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SECTION 1 — 30 marks

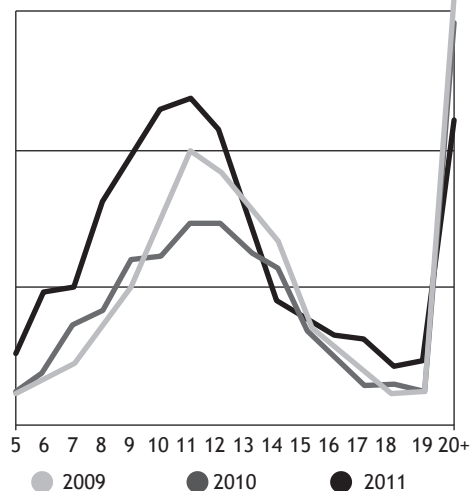
Attempt BOTH questions

THE FACTORY skatepark

Total Numbers of Users
2004 – 2011



Users' Joining Age



The Factory Skatepark, based in Dundee, was recently named Social Enterprise of the Year. It offers extreme sports, youth and homework clubs, IT classes for the elderly and photography classes. It also has a sports shop and cafe.

The organisation is supported by grants from organisations including the People's Postcode Lottery, Comic Relief and the Big Lottery Fund. A major sponsor is Rockstar Energy drinks which is a favourite choice amongst teenage customers.

Factory Skatepark uses its website and social media to give information to customers and has launched an app to let members book sessions. Members are encouraged to give feedback to the organisation to help it meet its aims of improving customer service and finding interesting activities for all users.

You should note that although the following questions are based on the case study above, you will need to make use of knowledge and understanding you have gained whilst studying the Course.

1. (a) From the case study, identify 2 market segments that the organisation is targeting. 2
- (b) (i) From the case study, identify a charitable organisation that supports Factory Skatepark. 1
- (ii) Identify the sector of the economy that a charity would operate in. 1
- (iii) Describe one other sector of the economy. 1
- (c) Describe the features of a social enterprise. 2
- (d) (i) Outline the ways in which the skatepark can gain customer feedback. 2
- (ii) Explain the benefits of good customer service to the skatepark. 2

1. (continued)

- | | | |
|-----|--|---|
| (e) | (i) From the case study, identify the ways in which technology is used in promoting the skatepark. | 2 |
| | (ii) Describe the benefits of using technology to promote the skatepark. | 2 |

[Turn over



Glasgow-based clothing manufacturer Trespass was proud to be the official casual uniform supplier to the 2014 Commonwealth Games. The business is run by brothers Afzal and Akmal Khushi who established the Trespass brand in 1984. The business is run as a private limited company.

The owners were pleased to mark the 30th anniversary of the brand with such an honour. They have a wide range of products for men, women and children and specialise in sportswear for active pursuits. Customers can buy products online as well as in Trespass stores and outdoor clothing suppliers such as Go Outdoors.

Trespass mass-produces its clothing and uses hi-tech production. This ensures that quality is a key focus. The company has stores worldwide and employs hundreds of staff. Trespass prides itself in having a happy workforce and provides an excellent training programme for staff.



You should note that although the following questions are based on the case study above, you will need to make use of knowledge and understanding you have gained whilst studying the Course.

- | | |
|---|---|
| 2. (a) From the case study, identify a sector of industry in which Trespass operates. | 1 |
| (b) Describe the features of a private limited company. | 2 |
| (c) Explain the benefits to a business of having a strong brand. | 2 |
| (d) (i) From the case study, describe the method of production used. | 1 |
| (ii) Discuss the costs and benefits of using this method of production. | 3 |
| (e) Describe the methods that can be used to train employees in the business. | 3 |
| (f) Describe the interests of stakeholders identified in the case study. | 3 |

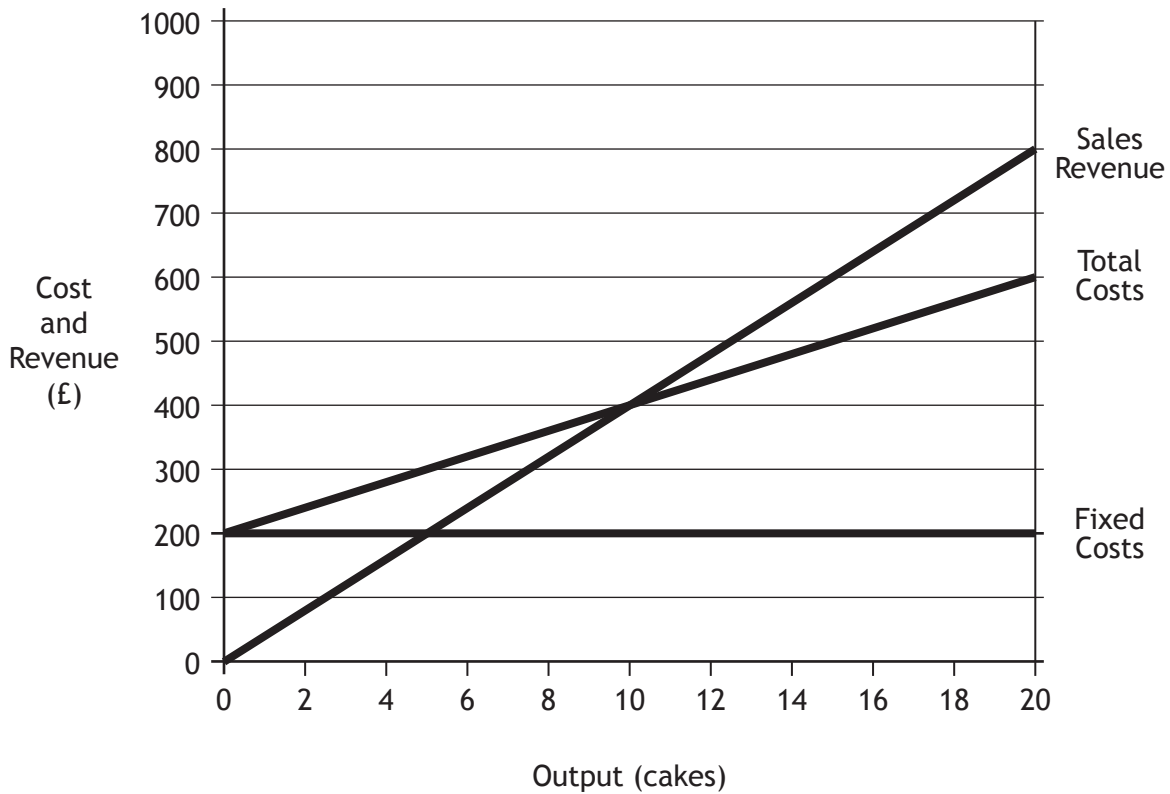
[Turn over for SECTION 2 on *Page six*

DO NOT WRITE ON THIS PAGE

SECTION 2 – 40 marks

Attempt ALL questions

3. Maddy Taylor is the owner and only employee of a cake-making business called Charm Cakes. She has produced the following break-even chart based on sales of her standard cakes.



- (a) From the break even chart, identify:

- the number of cakes sold at the Break-Even Point;
- Total Costs at Break-Even Point.

2

- (b) From the chart, calculate the Variable Cost per Unit.

2

- (c) Define the following terms.

- Break-Even
- Fixed Costs
- Variable Costs

3

- (d) Justify the use of the following sources of finance:

- a bank loan;
- a grant;
- an overdraft.

3

	MARKS
4. (a) Describe stages of the recruitment process.	4
(b) Outline the role of technology when recruiting and selecting staff.	3
(c) Describe the responsibilities of the employer under Health and Safety legislation.	3
5. (a) Describe the advantages of computerised stock control.	3
(b) Describe how an operations department can be environmentally friendly.	2
(c) (i) Identify 2 quality inputs in the production process.	2
(ii) Justify the importance of using good quality inputs in the production process.	3
6. (a) Promotion is an element of the marketing mix.	
(i) Describe the other elements of the marketing mix.	3
(ii) Outline the methods of sales promotion which an organisation could use.	3
(b) Discuss the costs and benefits of using desk research.	4

[END OF QUESTION PAPER]

ACKNOWLEDGEMENTS

Section 1 Question 1 -The Factory Skateboard logo is reproduced by kind permission of The Factory Skatepark.

Section 1 Question 2 -Glasgow 2014 logo is reproduced by permission of The Commonwealth Games Federation.

Section 1 Question 2 -Trespass logo is reproduced by kind permission of Trespass.