National Qualifications 2023

X810/75/11 Business Management

TUESDAY, 16 MAY
9:00 AM – 11:00 AM

Total marks — 90

SECTION 1 — 40 marks

Attempt BOTH questions.

SECTION 2 — 50 marks

Attempt ALL questions.

You may use a calculator.

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.

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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X8107511

SECTION 1 — 40 marks

Attempt BOTH questions

Sublime Hairdressing, located in Stirling city centre, is owned by entrepreneur Sarah Turnbull. Sublime provides services such as colouring, cutting and extensions and sells a range of hair products such as shampoos and styling products.

Its client base is currently predominantly female. However, market research shows that men often prefer a barber, therefore Sublime has recently employed one. There are 7 stylists who are paid based on a time-rate system, and they also receive commission on sales of haircare products. Staff have a statutory holiday entitlement, with flexibility as to when holidays are taken.

The external environment is constantly changing therefore market research is on-going. Staff are encouraged to be aware of trends and new technology available. This contributed to Sublime introducing Easilocks hair extensions, which use an alternative application method that prevents damage to the hair. It also introduced electronic funds transfer at point of sale (EFTPOS) which allows customers to pay by debit or credit card. Techniques and hair styles constantly change, therefore staff participate in regular training and are encouraged to participate in competitions.

Sarah is considering expanding her business further to include a make-up artist and a beauty therapist. The current shop is in a busy location with ample parking; however, it is small and the rent is high. There are two other salons nearby, although neither includes beauty or make-up services.

Exhibit 1: Desk research — extract from annual Beautiful Britain report.

2,000 hair and beauty salons surveyed	**Female clients**	**Male clients**
Average annual spend on hair and beauty treatments (last year)	£876	£711
Average annual spend on hair and beauty treatments (this year)	£994	£779

MARKS

The following questions are based on the case study. You will need to make use of knowledge and understanding you have gained whilst studying the course.

1. (a) (i) From the case study, identify the type of business organisation that Sublime Hairdressing is. **1**

(ii) Distinguish between the type of business organisation identified in 1(a)(i) and public sector organisations in terms of:

- ownership
- control
- finance. **3**

(b) Using **Exhibit 1**, identify the trend in annual spend in hair and beauty treatments. **1**

(c) From the case study, explain factors that Sarah should consider when choosing a new location for Sublime Hairdressing. **3**

(d) Describe sources of finance available to fund the expansion of Sublime Hairdressing. **5**

(e) From the case study, justify the methods used to motivate staff. **4**

(f) Describe the ways in which technology could be used to improve the marketing of Sublime Hairdressing. **3**

[Turn over

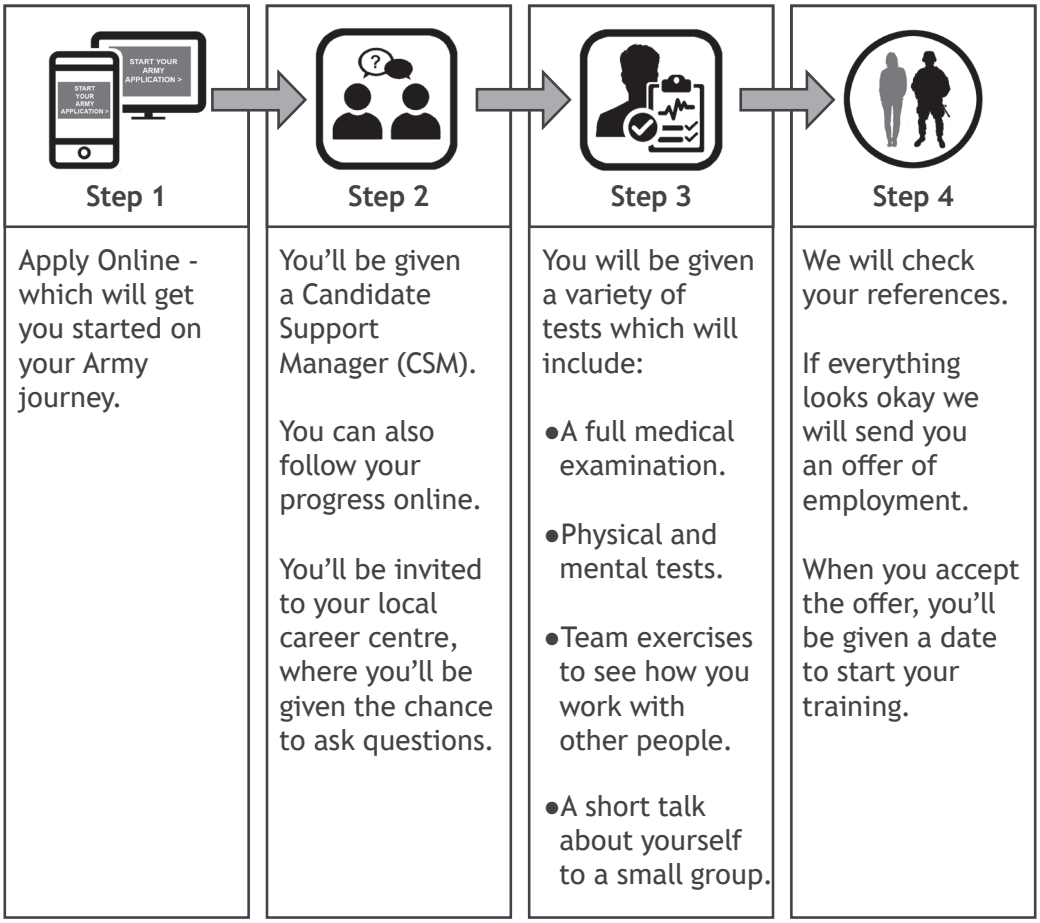
The British Army

The British Army protects the United Kingdom's interests at home and abroad, providing a service to ensure a safe and secure environment in which citizens can live and prosper. The Ministry of Defence is the government department responsible for implementing defence policy and overseeing the British Army.

The British Army engages in duties across many locations to assist with UK government objectives. The work it does ranges from peacekeeping and providing humanitarian aid, to enforcing anti-terrorism measures and helping combat the international drugs trade. Senior officers must work within the constraints of a budget whilst ensuring the Army is as adaptable as possible to respond to threats.

The British Army embraces diversity, creates skills for life and opportunities for all. It views soldiers as one of its most important resources. Recruitment campaigns focus on appealing to the sense of adventure of potential recruits — joining the Army is a solution to dissatisfaction with everyday life.

Exhibit 1: Steps involved in joining the British Army



MARKS

The following questions are based on the case study. You will need to make use of knowledge and understanding you have gained whilst studying the course.

2. (a) (i) From the case study, identify stakeholders of the British Army. **3**

(ii) Describe the interests of each of the British Army's stakeholders identified in (a)(i). **3**

(b) Describe costs and benefits of training. **3**

(c) (i) Using **Exhibit 1**, identify **2** methods of selection used by the British Army. **2**

(ii) Justify the methods of selection identified in (c)(i). **2**

(d) (i) Identify the sector of economy in which the British Army operates. **1**

(ii) Describe the **other 2** sectors of economy. **2**

(e) The British Army advertises on TV.

Describe **other** methods of advertising. **4**

[Turn over

MARKS

SECTION 2 — 50 marks

Attempt ALL questions

3. (a) Compare job production with batch production. **3**

(b) Describe methods of ensuring quality products. **4**

(c) Outline **3** factors that would be considered before choosing a supplier. **3**

4. (a) Describe different working practices used by organisations. **4**

(b) Describe features of the Equality Act 2010. **3**

(c) Explain the effects of industrial action. **3**

5. (a) From the income statement, identify the missing labels A, B, C and D.

Income Statement for Wendy's Ice Cream Parlour for the year ending 31 March Year 1.

		£	£
	A		49,800
Less	Cost of Sales		30,000
	B		19,800
Less	C		
	Electricity	7,500	
	Rates	1,500	
	Fuel	2,500	
	Advertising	1,750	
	Bank Charges	950	
			14,200
	D		5,600

4

MARKS

5. (continued)

(b) (i) Describe the reasons for preparing a cash budget. **3**

(ii) Justify the use of spreadsheet software to prepare a cash budget. **2**

(c) Outline one benefit of online banking. **1**

6. (a) Draw and label a product life cycle diagram. **3**

(b) (i) Outline **2** factors which should be considered before setting a price for a product. **2**

(ii) Describe pricing strategies that could be used by an organisation. **3**

(c) Describe the following methods of field research:

- personal interview
- postal survey. **2**

7. (a) Outline factors of production. **4**

(b) Outline the impact of poor customer service on an organisation. **2**

(c) (i) Identify **2** external factors that could affect an organisation. **2**

(ii) Explain the influence of the factors identified in (c)(i) on an organisation. **2**

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Section 1 Question 1 — Logo and reference to Sublime Hairdressing, Stirling.

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