National Qualifications 2024

# X810/75/11 Business Management

THURSDAY, 2 MAY
1:00 PM – 3:00 PM

**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.

SQA ©

*X8107511*

**SECTION 1 — 40 marks**

**Attempt BOTH questions**

Ooni is a West Lothian-based pizza oven company which was founded in 2012 by husband-and-wife team Kristian Tapaninaho and Darina Garland.

Kristian and Darina created a unique product by offering a small, portable and affordable wood-fired pizza oven that gave its customers the ability to make great pizza at home. Ooni claims to be 'the world's number one' in its market and is considered to be one of the UK's fastest-growing companies.

Ooni believes that people are at the heart of its business and its culture focuses on people and passion. Therefore, the owners have increased the minimum starting salary for employees to £25,000, which is significantly higher than the UK national minimum wage.

Darina said: 'We believe that by investing in our team everyone wins. Our employees are crucial to the success of our quality-driven business and deserve to be empowered, knowing that they are helping to make the world just a little bit better — one slice at a time.'

**Exhibit 1: Extract of Ooni's financial data**

| | **2022 £ million** | **2021 £ million** |
|---|---|---|
| Gross profit | 111.3 | 109.2 |

| | **2022 £ million** |
|---|---|
| Loss for the year | (1.7) |

MARKS

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

**1.** (a) (i) Identify **2** stakeholders of Ooni. **2**

(ii) Describe **one** interest of each stakeholder identified in (a)(i). **2**

(b) From the case study, outline **3** objectives of Ooni. **3**

(c) Describe pricing strategies available to Ooni. **3**

(d) (i) Distinguish between quality assurance and quality control. **2**

(ii) Outline **one** quality input. **1**

(e) Describe the stages of product development. **4**

(f) (i) Using **Exhibit 1**, identify the trend in gross profit. **1**

(ii) Outline **2** actions that Ooni could have taken to prevent its loss for the year. **2**

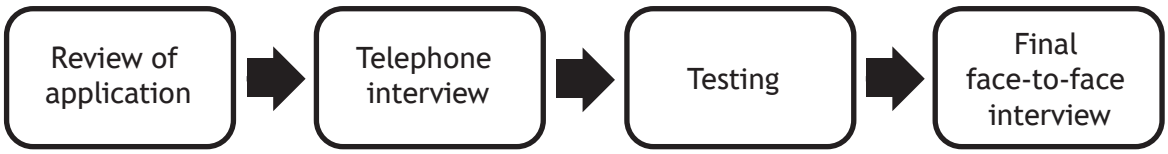
**[Turn over**

Teleperformance, a company providing call centre services, has been criticised by a trade union for its proposal to send artificially intelligent (AI) webcams to employees working from home. Teleperformance claims the purpose of the devices is to create a highly collaborative and engaged workforce.

A training video shows employees that the AI webcams monitor their behaviour and detect if they are not following company rules. This could include eating or drinking while on calls with customers, using their mobile phones, or being idle for long periods of time. Managers are notified by real-time alerts which enable them to immediately take corrective action.

There is no suggestion that Teleperformance is breaking the law, but the trade union argues that the idea of webcams for surveillance in employees' homes is a cause for concern and an invasion of privacy. Despite the call centre industry always having been driven by targets, with high levels of monitoring, the trade union believes that Teleperformance is taking a step too far.

**Exhibit 1: Extract of Teleperformance's selection process**



MARKS

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

**2.** (a) (i) From the case study, identify the sector of the economy that Teleperformance operates in. **1**

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

(b) Teleperformance provides a service.

Distinguish between goods and services. **1**

(c) (i) From the case study, identify the flexible working practice used by Teleperformance. **1**

(ii) Justify the use of flexible working practices for the:

- employees
- organisation. **5**

(d) (i) Describe **2** ways that technology could be used in the recruitment process. **2**

(ii) Using **Exhibit 1**, discuss Teleperformance's methods of selection. **4**

(e) (i) Other than technology, identify **2** internal factors. **2**

(ii) Describe the influence of each internal factor identified in (e)(i). **2**

**[Turn over**

MARKS

## SECTION 2 — 50 marks

**Attempt ALL questions**

**3.** (a) Describe sources of finance available to an organisation. **4**

(b) Define the following terms found on a break-even chart:

- fixed costs
- total costs
- total revenue
- break-even point. **4**

(c) From the information below, calculate:

- gross profit
- profit for the year.

| | |
|---|---|
| Sales revenue | £10,000 |
| Cost of sales | £2,000 |
| Expenses | £1,000 |

**2**

**4.** (a) Discuss the advantages and disadvantages of a partnership. **4**

(b) Describe reasons why customer satisfaction is important to an organisation's success. **3**

(c) Explain the influence of **3** external factors on an organisation. **3**

**5.** (a) Explain the costs of training employees. **3**

(b) Outline features of the following legislation:

- Equality Act
- Health and Safety at Work Act. **4**

(c) Describe **3** forms of industrial action that employees could take. **3**

**6.** (a) Identify **3** elements of the marketing mix. **3**

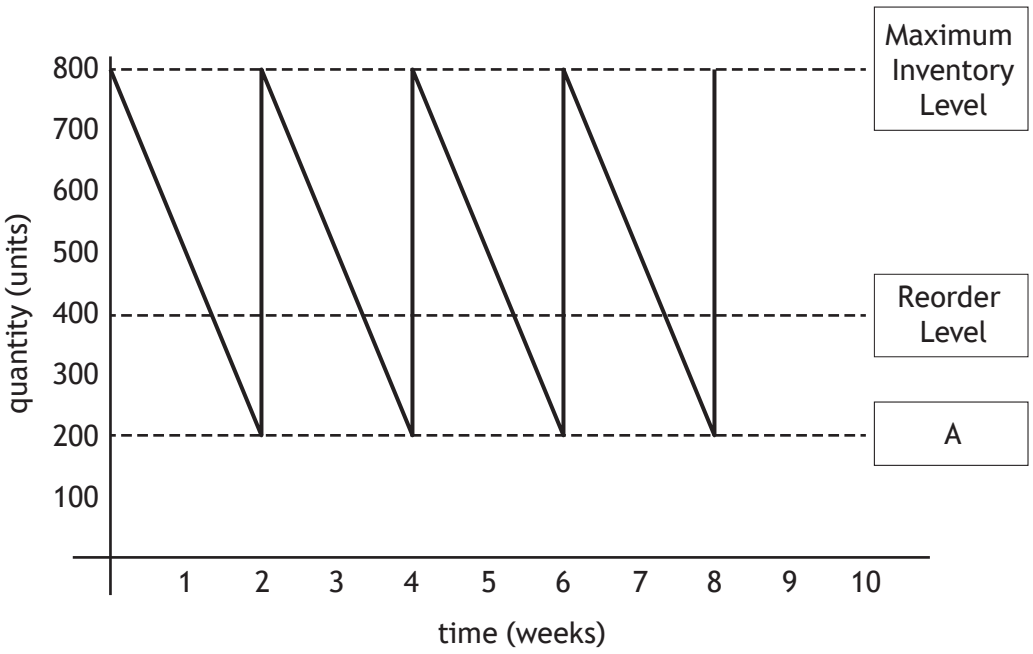
(b) Explain the consequences of poor packaging for an organisation. **3**

(c) (i) Identify **2** methods of distribution. **2**

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

MARKS

**7.** (a)




(i) From the diagram, identify the missing label A. **1**

(ii) Using the diagram, identify the:

- maximum inventory level
- reorder quantity. **2**

(b) Explain the problems of understocking. **2**

(c) Justify why the following factors should be considered when choosing a supplier:

- lead time
- credit terms
- reliability. **3**

(d) Describe **2** features of flow production. **2**

**[END OF QUESTION PAPER]**

**[BLANK PAGE]**

**DO NOT WRITE ON THIS PAGE**

*Acknowledgement of copyright*

Section 1 Question 1 — Logo and reference to Ooni.

**SQA has made every effort to trace the owners of copyright of this item and seek permissions. We are happy to discuss permission requirements and incorporate any missing acknowledgement. Please contact question.papers@sqa.org.uk.**