OXFORD
INTERNATIONAL
AQA EXAMINATIONS

Please write clearly in block capitals.

Centre number | | | | | |  Candidate number | | | | |

Surname _____

Forename(s) _____

Candidate signature _____

# INTERNATIONAL AS

# BUSINESS

## UNIT 2 MANAGING OPERATIONS, HUMAN RESOURCES AND FINANCE

Specimen 2017 Morning Time allowed: 1 hour 30 minutes

**Materials**

For this paper you must have:

- a calculator, which you are expected to use where appropriate.

**Instructions**

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of the page.
- Answer **all** questions.
- You must answer the questions in the spaces provided.
  Do not write outside the box around each page or on blank pages.
- All working must be shown.
- Do all rough work in this book. Cross through any work you do not want to be marked.
- You may **not** use an English dictionary.

**Information**

- The marks for questions are shown in brackets.
- The maximum mark for this paper is 80.

**Advice**

- You may use a bilingual dictionary.

| For Examiner's Use | |
|---|---|
| Question | Mark |
| 1 | |
| 2 | |
| 3 | |
| 4 | |
| 5 | |
| 6 | |
| 7.1 | |
| 7.2 | |
| 8 | |
| 9 | |
| 10 | |
| 11 | |
| 12 | |
| 13 | |
| **TOTAL** | |

## Section A

Answer **all** questions in the spaces provided.

Only **one** answer per question is allowed.

For each answer completely fill in the circle alongside the appropriate answer.

CORRECT METHOD ⬬ WRONG METHODS

If you want to change your answer you must cross out your original answer as shown.

If you wish to return to an answer previously crossed out, ring the answer you now wish to select as shown.

**0 1** Labour turnover measures:

**A** The number of employees joining and leaving a business ⬭

**B** The proportion of employees leaving a business ⬭

**C** The sales revenue per employee ⬭

**D** The total output divided by the number of employees ⬭

**[1 mark]**

**0 2** The rent paid by a business increases.

The impact of this increase on its fixed costs, variable costs and breakeven output is:

**[1 mark]**

**A**

| Fixed costs | Variable costs | Breakeven output |
|---|---|---|
| **No change** | **Increase** | **Increase** |

⬭

**B**

| Fixed costs | Variable costs | Breakeven output |
|---|---|---|
| **Increase** | **No change** | **Increase** |

⬭

**C**

| Fixed costs | Variable costs | Breakeven output |
|---|---|---|
| **Increase** | **Increase** | **Increase** |

⬭

**D**

| Fixed costs | Variable costs | Breakeven output |
|---|---|---|
| **No change** | **No change** | **Increase** |

⬭

**0 3** A business has produced the following budget:

| | Budget $ | Actual $ |
|---|---|---|
| **Revenue** | 5000 | 4000 |
| **Labour costs** | 2000 | 3000 |
| **Material costs** | 2500 | 2500 |
| **Profit** | 500 | (1500) |

The budget above shows that:

**[1 mark]**

**A** Material costs have an adverse variance of $2500 ⬭

**B** Revenue has a favourable variance of $1000 ⬭

**C** The labour costs have a favourable variance of $1000 ⬭

**D** The profits have an adverse variance of $2000 ⬭

**0 4** Explain **one** reason why a start-up business might use venture capital.

**[3 marks]**

**0 5** The capital invested in a project is $80 million. The expected sales from the project are $200 million a year. The profit margin is 5%.

Calculate the expected annual return on investment on the project.

**[3 marks]**

**0 6** The economies of some countries, such as Indonesia, are heavily dependent on farming.

Explain **one** action that farmers might take to increase the productivity of their land.

**[3 marks]**

**0 7** In 2015 global car production was estimated to be 78 million. Total capacity in the global car industry in 2015 was estimated to be 88 million cars.

**0 7 . 1** Calculate the capacity utilisation in the global car industry in 2015.

**[2 marks]**

**0 7 . 2** Capacity utilisation has been falling in the car industry.

Explain **one** possible effect of falling capacity utilisation on the unit costs of car manufacturers.

**[3 marks]**

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## Section B

Answer **all** questions in the spaces provided.

**0 8** Xena Ltd is a construction company that is experiencing cash flow problems. The time taken by Xena between buying land, building houses and then selling them to customers is often over a year.

Analyse the actions Xena might take to improve its cash flow in this situation.

**[9 marks]**

Extra space

**0 9** The UK supermarket retailer, Tesco, operates in 11 countries including India, Malaysia and South Korea.

Analyse the benefits to a multinational supermarket, such as Tesco, of having a decentralised organisation.

**[9 marks]**

Extra space

**1 0** The demand for some hotels is seasonal due to patterns of tourism.

Analyse the possible implications of seasonal demand for a hotel.

**[9 marks]**

Extra space

27

**Turn over for the next section**

## Section C

Answer **all** questions in the spaces provided

**1 1** Aya is the Managing Director of a business that owns several shops. Aya is thinking of increasing the pay of her staff to increase their motivation.

Is Aya correct to think that higher pay will motivate her staff?

Assess the arguments for and against and make a judgement.

**[12 marks]**

Extra space

**1 2** A multi-national technology company has had to recall several million mobile phones from across the world. There have been quality problems with the phones that have meant there is a danger they can catch fire.

Do you think a recall such as this is likely to damage the profits of the business in the long-term?

Assess the arguments for and against and make a judgement.

**[12 marks]**

Extra space

**1 3** Zara, the fashion retailer, has a Just in Time approach to inventory control.

Do you think a Just in Time approach to inventory control is better than a Just in Case approach for a clothes retailer?

Assess the arguments for and against and make a judgement.

**[12 marks]**

Extra space

**END OF QUESTIONS**

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**ANSWER IN THE SPACES PROVIDED**

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