

Please write clearly in block capitals.

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Candidate number

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Surname

Forename(s)

Candidate signature

I declare this is my own work.

INTERNATIONAL GCSE BUSINESS

Paper 1 Influences of operations and human resources on business activity

Thursday 27 October 2022

07:00 GMT

Time allowed: 2 hours

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 this 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.
- If you need extra space for your answer(s), use the lined pages at the end of this book. Write the question number against your answer(s).
- All calculations must be shown.
- Do all rough work in this book. Cross through any work you do not want to be marked.

Information

- The marks for questions are shown in brackets.
- The maximum mark for this paper is 90.

Advice

You may use a bilingual dictionary.

For Examiner's Use	
Question	Mark
1–9	
10	
11	
TOTAL	



N 0 V 2 2 9 2 2 5 1 0 1

Section A

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

For multiple-choice questions, only **one** answer per question is allowed.

For each question 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

Which **one** of the following is a benefit of using Just in Time (JIT)?

[1 mark]

A Increased traffic from more frequent deliveries

☐

B Lost purchasing economies of scale

☐

C No spare stock to satisfy demand

☐

D Reduced need for storage space

☐

0 2

Which factor of production could be described as 'the owner's determination and willingness to take a risk'?

[1 mark]

A Capital

☐

B Enterprise

☐

C Labour

☐

D Land

☐


0 3

Which production process involves producing one item at a time for a customer's specific requirements?

[1 mark]**A** Batch☐**B** Cell☐**C** Flow☐**D** Job☐**0 4**

The ability of a supplier to deliver the right quantities at the right time is called:

[1 mark]**A** Location☐**B** Price☐**C** Quality☐**D** Reliability☐**0 5**

Which **one** of the following costs of running a fast food restaurant is a fixed cost?

[1 mark]**A** Advertising☐**B** Drinks☐**C** Ingredients☐**D** Packaging materials☐

Turn over for the next question

Turn over ►



0 6Explain **one** reason why businesses have organisational structures.**[2 marks]**

0 7Explain **one** benefit to shareholders of limited liability.**[2 marks]**

0 8State **two** stakeholders for a business.**[2 marks]**Stakeholder 1

Stakeholder 2



0	9
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Explain **two** reasons why businesses set objectives.

[4 marks]

Reason 1 _____

Reason 2 _____

15

Turn over for the next section

Turn over ►



Section B

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

1	0
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Item A – Starting the business

Tuneer thought he had spotted a gap in the market. When clearing out his apartment, he tried to find somewhere to recycle his old laptop in an environmentally responsible way. He was worried about the effects of electronic waste on the natural environment. Despite research, he could not find a business which could recycle his laptop.

Tuneer's business would offer to repair or recycle mobile phones, laptops and tablets. He was desperate to start his own business having left his last job because he did not like being told what to do by his boss. Tuneer planned to travel to customers' homes or offices to mend their broken electronic equipment and to provide excellent customer service as another unique selling point.

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1

Use **Item A** to explain **one** reason Tuneer had for starting his own business.

[3 marks]



[6 marks]

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Turn over ►



Item B – The next steps

After a successful start-up, Tuneer has decided to open a store in the United Arab Emirates (UAE). Customers would bring their items to the store for repair or safe disposal. Tuneer now needs to recruit an employee who could look after the store and carry out repairs while Tuneer continues to visit customers. He is searching for an appropriate location for a store and has advertised for an employee. He plans to interview the best applicants in order to select his new employee.

Table 1 shows financial information related to Tuneer's business. Figures are in UAE dirhams (AED).

Table 1

Cost of employing one worker per week	800 AED
Average cost of materials used in each repair	10 AED
Price charged to customer for each repair	30 AED

1 0 . 3

Calculate the number of repairs needed to cover the cost of employing the worker.

Show your calculations.

[3 marks]

Answer _____



1 0 . 4

Explain **one** disadvantage of Tuneer using an interview as part of the recruitment process.

[3 marks]

1 0 . 5

Identify and explain **two** factors Tuneer should consider when selecting a location for the new store.

[6 marks]

Factor 1 _____

Factor 2 _____

Question 10 continues on the next page

Turn over ►



Item C – More growth

The store is successful. Tuneer has developed a strong brand image – ‘The Green Tech Doctor’. His brand reputation is spreading through surrounding areas. He now wants to expand his business rapidly. He aims to open 10 stores across the UAE in the next 2 years. There will be benefits from operating on a larger scale. However, he is concerned that controlling a growing business will be more difficult than operating one store.

Funding his expansion may be difficult. Tuneer believes that setting up each new store would need around 20 000 AED of funding. Last year, his one store generated a profit of 80 000 AED. A friend suggested that he could use franchising as a method of growth.

1 0 . 6

Identify and explain **one** economy of scale and **one** diseconomy of scale that Tuneer’s business may experience if it expands.

[6 marks]

Economy of scale _____

Diseconomy of scale _____



Tuneer must decide whether to grow by:

- franchising
- or
- by opening new stores using internal finance.

Using information from **Items A, B and C**:

- analyse the benefits to Tuneer of expanding by franchising **and** the benefits of expanding by opening new stores
- use your analysis to recommend which method of expansion Tuneer should choose.

[12 marks]

[illegible]

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[illegible]

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ANSWER IN THE SPACES PROVIDED**

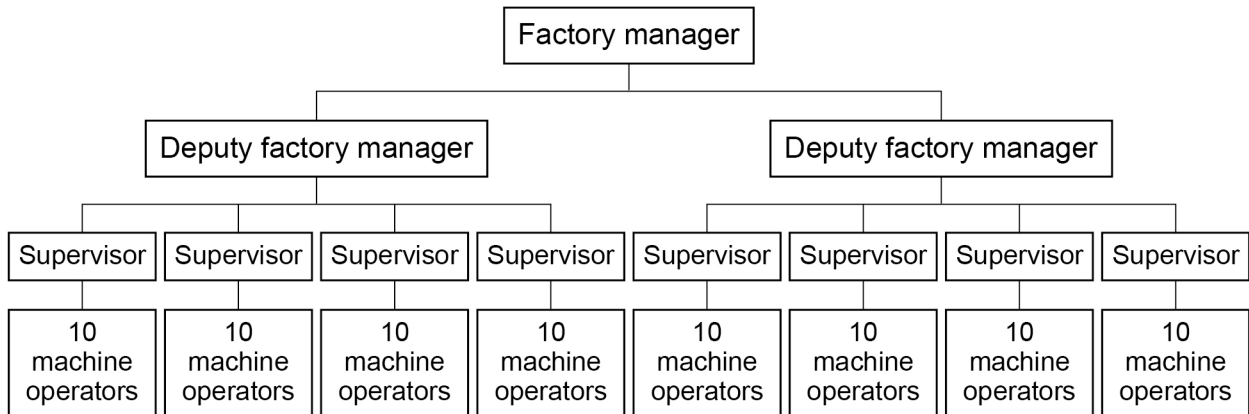
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Section CAnswer **all** questions in the spaces provided.**1 1****Item D – QVZ Global Inc.**

QVZ Global Inc. (QVZ) is a large American multinational company that manufactures farming equipment, with 20 factories around the world. One of its factories, in a less economically developed country, has not been performing well. The factory uses old machines which are very loud and unreliable.

QVZ has sent its Head of Human Resources to the factory to try to solve the problems. The problems include: high average costs, low productivity, retaining staff and untrained supervisors. The factory's organisational structure is shown below.

**1 1 . 1**Use **Item D** to explain the term 'span of control'.**[3 marks]**



[6 marks]

[illegible]

Turn over ►



Item E

As the Head of Human Resources began her investigation, she found out more about the factory. Several members of staff made comments:

"I only took the job because of the profit-sharing bonus we were promised."

"When I emailed factory supervisors in QVZ's other factories to ask for help or advice, they said that their factory does things in a different way to our factory."

"My annual wages as a machine operator are only \$5 000. Most of my friends working for other companies earn more."

"We never hear any news from Headquarters in the US. It's easy to forget that we are part of QVZ."

The Head of Human Resources was told that the profit-sharing scheme divides 10% of annual profit equally between the 91 staff employed at the factory. Last year, the factory paid \$109 200 in total through the profit-sharing scheme.

1 1 . 3

Calculate the total income of a machine operator last year.

Show your calculations.

[3 marks]

Answer _____



Analyse how greater centralisation of the company's organisation and decision-making procedures may improve performance at the factory.

[illegible]

Turn over ►



The factory is in a less economically developed country and has relied on lower labour costs and low standards of health and safety to remain competitive. The old machinery is very loud, creates a huge amount of dust, and accident rates are high. Employees have not been trained how to operate the machines safely.

The government is about to introduce new health and safety laws aimed at ensuring safer working conditions in response to pressure from employee groups.

Analyse **one** possible impact of the new health and safety laws on the factory's profit.

[illegible]

The factory manager knows that motivation in the factory must be improved. He is considering increasing the use of financial methods of motivation.

- analyse the advantages **and** disadvantages to QVZ of increasing its use of financial methods of motivation to solve the problems in the factory
- use your analysis to recommend whether QVZ should use financial methods of motivation to solve the problems in the factory.

[12 marks]

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[illegible]

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