



Oxford Cambridge and RSA

AS Level in Business

H031/02 The wider business environment

Sample Resource Booklet

Version 1.1

Time allowed: 1 hour 30 minutes

Instructions to candidates

- This is a resource booklet.
- You should refer to it when answering the examination questions which are printed in a separate booklet.
- The business described in this Case Study is a real business.

Information

- This document consists of **4** pages. Any blank pages are indicated.

The BBC

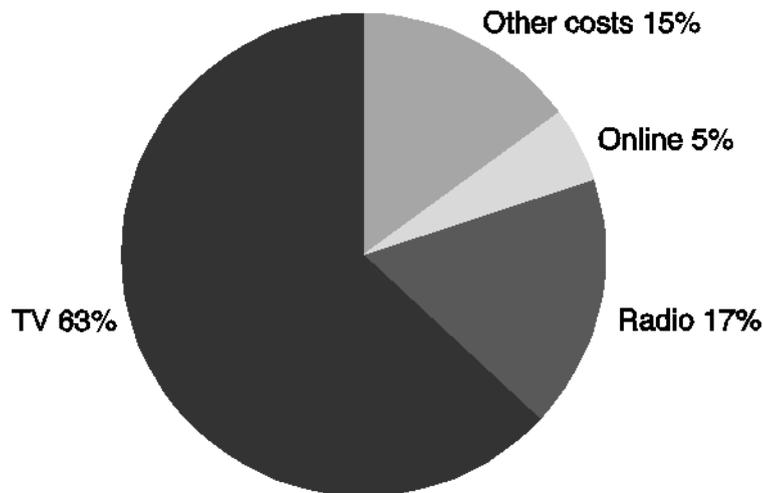
Extract A What is the BBC?

The BBC is the world's leading public sector television and radio broadcaster. Its mission is to enrich people's lives with programmes that inform, educate and entertain.

The BBC is primarily funded by a licence fee paid by UK households. It uses this income to provide a wide product portfolio including 10 national TV channels, 10 national radio stations, 40 local radio stations and an extensive website, including the BBC iPlayer, a way for customers to access programme.

In addition BBC viewers, listeners and users can rely on the BBC to provide internationally respected news services to audiences around the world. On balance, across markets and surveys, the BBC brand continues to be seen as the most trusted and objective global news provider. The combined global reach of the BBC's global news services on radio, television and online is more than 230 million weekly users.

Extract B How the BBC licence fee is spent on BBC services in the UK



Extract C Price of a TV licence in the UK

Date from	Licence fee
1 April 2007	£135.50
1 April 2008	£139.50
1 April 2009	£142.50
1 April 2010	£145.50
1 April 2011	£145.50
1 April 2012	£145.50
1 April 2013	£145.50
1 April 2014	£145.50

Extract D The future of BBC Three

The BBC has announced sweeping changes to its youth channel BBC Three. The channel will only continue in a different form on the iPlayer, while some of its more popular programmes could transfer to BBC One and Two. Overall, its annual programme budget will be cut from the current £85m to £25m.

The changes will make way for an extension of the broadcasting hours of CBBC (a children's channel), and a BBC One+1 channel (BBC One programmes broadcast one hour later).

Extract E Excerpts from a speech given by the Director General of the BBC

The key challenge, the core of what we have to do, is to harness our power to create – our power to innovate.

Innovation has been a part of the BBC from its very foundation. You have to refresh, to regenerate. I suppose you can't be the home of Doctor Who for 50 years without learning something about regeneration.

The iPlayer is the best in the world – but we want to make it even better. We want to transform it from being catch-up TV – to online TV.

So, we're going to give you more content, more opportunities to watch our shows, making them available for free not just for seven days – but for thirty. We will give you the chance to see programmes before they've even been broadcast, picking what you like, when you like, from our channels.

And because we know people often want to go back and see older programmes, we plan to launch something called BBC Store, a new commercial online service which will offer people in the UK the chance to buy a whole range of programmes to watch and keep forever.

At the end of a programme, the iPlayer just used to ask if you wanted to watch it again. It's a funny request, really. We can do so much better. And we'll be able to do that because we'll know data about what you like to watch. We'll suggest programmes that you might like to watch based on this data.

We want to harness the energy of the 'YouTube generation'. We want to employ them in the BBC and fund them to make brilliant programmes. We'll free them from the conventional programme-making process and encourage them to experiment and make original online content so they can inform, educate and entertain.

And music will be another way we serve this new generation. Our radio stations are great at finding new music for you to listen to. Now we want to do that online with a new idea called BBC Playlister. This will allow audiences to tag any piece of music they hear on the BBC and listen to it later. We're working with streaming services – like Spotify, YouTube and Deezer – so that you can keep all your favourite music in one place, enjoy it across whatever devices you're using, wherever you are and, we hope, help you discover and share new music.

Extract F A blogger's view of the future of the BBC

The Government has indicated that it will back a Bill to decriminalise non-payment of the Television Licence Fee. Instead of being dragged through the courts, non-payers will simply have their access to the BBC switched off – in the same way that Sky withdraws its services from those who don't pay their subscriptions.

The real significance of the proposal is that it will, in practice, remove the BBC's monopoly. If the penalty for non-payment of the licence fee is withdrawal of the service, rather than prosecution, then that fee ceases to be a tax and becomes a subscription. Refusal to pay is no longer a criminal act, but an exercise of consumer choice. The BBC will become, in practice, a pay-on-demand service like its rivals.

Many within the BBC have known for some time that technology would bring this about. It has been argued that the BBC needs to prepare for a post-monopolistic future. It will, after all, start with huge advantages. We are creatures of habit, and most of us will carry on paying for a familiar service. Even now, three decades after ceasing to be a monopoly, British Telecom (BT) continues to enjoy a large market share, and the BBC is a far better-known global brand than BT ever was – with the additional advantage of profitable overseas sales. In practical terms, there may not be that much difference, except that the BBC will have to become more cost-efficient.

It won't be political objections that ends the BBC monopoly, but technological progress. And, of course, you can't argue with progress.

Summary of updates

Date	Version	Change
February 2021	1.1	Updated copyright acknowledgements.

Copyright Information:

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Adapted from: Stillito, D. Why is the BBC Closing a TV Channel?, 6th March 2014. Available at www.bbc.co.uk/news/, accessed April 2014. BBC © 2014. Reproduced with permission from the BBC.

Adapted from: Speech given by Tony Hall, BBC Director General, at the BBC Radio Theatre, London, Tues 8 Oct 2013. © BBC 2013. Reproduced with permission from the BBC.

Adapted from: Hannan, Daniel (2014), The BBC will, in effect, be privatised – with vast consequences. Reproduced by permission of The Telegraph © 2014

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AS Level in Business

H031/02 The wider business environment

Sample Question Paper

Date – Morning/Afternoon

Time allowed: 1 hour 30 minutes



You must have:

- the Resource Booklet

You may use:

- a scientific or graphical calculator



First name											
Last name											
Centre number							Candidate number				

INSTRUCTIONS

- Use black ink.
- Complete the boxes above with your name, centre number and candidate number.
- Answer **all** the questions.
- Write your answer to each question in the space provided.
- If additional space is required, use the lined page(s) at the end of this booklet. The question number(s) must be clearly shown.
- Do **not** write in the bar codes.
- The Resource Booklet is required for Section B only.

INFORMATION

- The total mark for this paper is **60**.
- The marks for each question are shown in brackets [].
- Quality of extended responses will be assessed in questions marked with an asterisk (*).
- This document consists of **16** pages.

Section A

Answer **all** the questions.

1 State **two** methods of non-monetary motivation.

- 1.....
- 2.....

[2]

2 What is meant by the term 'customer orientation'?

-
-
-
-

[2]

3 Bulk buying is an example of a purchasing economy of scale. Outline **one** other internal economy of scale.

-
-
-
-

[2]

4 The following figures are taken from an income statement:

Sales Revenue	£80 000
Direct costs	£20 000
Indirect costs	£22 000

(a) Calculate the gross profit margin.

-
-
-
-

[2]

(b) Calculate the net profit margin.

.....

.....

.....

.....[2]

5 The following is an extract from a cash-flow forecast:

Cash Inflow	August	September
Sales revenue	£50 000	
Cash Outflow		
Rent	£30 000	£30 000
Materials	£23 000	£25 000
Labour	£9000	£10 000
Net cash-flow		£5000
Opening balance	£25 000	
Closing balance		

Complete the unshaded boxes in the table above.

[4]

6 State **one** advantage and **one** disadvantage to a business of having a centralised management structure.

Advantage.....

.....

Disadvantage.....

.....[2]

7 State **two** reasons why a firm may implement a programme of Total Quality Management (TQM).

1.....
.....
2.....
.....[2]

8 The following is an extract from a statement of financial position:

Total non-current (fixed) assets	£60 000
Current assets	£10 000
Current liabilities	£3000
Net current assets	
Creditors due after more than 12 months	£15 000
Net assets employed	

Complete the unshaded boxes in the table above.

[2]

Section B

Answer **all** the questions.

Use the information provided in the **Resource Booklet** to answer the following questions.

- 9 Explain **one** way in which the ownership of a public sector organisation differs from that of a private sector organisation.

.....

.....

.....

..... [2]

- 10 The BBC is one of a number of global news service brands.

Explain **two** ways in which the BBC could react to an increase in the number of global news service brands.

1.....

.....

.....

.....

2.....

.....

.....

..... [4]

- 11 Using Extracts B and C, calculate the amount of each individual licence fee that was spent on TV services in 2014.

.....

.....

.....

..... [2]

.....

.....

.....

..... [20]

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