



Oxford Cambridge and RSA

**Thursday 23 May 2019 – Afternoon**

**AS Level Business**

**H031/02 The wider business environment**

**Time allowed: 1 hour 30 minutes**



**You must have:**

- the Resource Booklet

**You may use:**

- a calculator



Please write clearly in black ink. **Do not write in the barcodes.**

Centre number

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Candidate number

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First name(s)

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Last name

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**INSTRUCTIONS**

- Use black ink.
- Answer **all** the questions.
- Write your answer to each question in the space provided. Additional pages may be used if necessary but you must clearly show your candidate number, centre number and question number(s).
- 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 **12** pages.



**A calculator may be used for this paper**

2

Section A

Answer **all** the questions.

1 State **two** measures of the size of a business.

1 .....

2 .....

[2]

2 Explain, using an example, what is meant by the term 'above the line promotion'.

.....

.....

.....

..... [2]

3 **Table 1** shows an extract from a statement of financial position for a business.

<b>Non-current assets</b>	£550 000
<b>Current assets</b>	£250 000
<b>Current liabilities</b>	£100 000
<b>Non-current liabilities</b>	£200 000

**Table 1**

Using the data in **Table 1**, calculate the business' net assets.

.....

.....

.....

.....

Answer = ..... [2]

3

4 Explain **one** advantage and **one** disadvantage for a business of its managers using an autocratic leadership style.

Advantage .....

Disadvantage .....

[4]

5 A business wants to calculate the variances on two of its budgets.

	Budget	Actual
Sales revenue	£400 000	£350 000
Cost of sales	£200 000	£175 000

Calculate the variance for each budget, stating whether the variance is adverse or favourable.

(a) Sales revenue

.....  
.....  
Answer = ..... [2]

(b) Cost of sales

.....  
.....  
Answer = ..... [2]

6 A manufacturing business is operating a factory at 100% capacity utilisation.

Explain **one** advantage and **one** disadvantage to the business of operating at 100% capacity utilisation.

Advantage.....  
.....  
.....  
.....

Disadvantage.....  
.....  
.....  
.....

[4]

7 Explain what is meant by the term 'channels of distribution'.

.....  
.....  
.....  
.....

[2]

Section B

Answer **all** the questions.

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

8 Explain what is meant by 'organic growth'.

.....

.....

.....

..... [2]

9 Explain **two** possible consequences for the farmers which supply Meadow Foods of it being the UK's largest independent dairy.

1 .....

.....

.....

.....

.....

2 .....

.....

.....

.....

..... [4]

10 The NFU Dairy Board Chairman believes that Meadow Foods should be paying more for the milk that it purchases from the farmers (Lines 26–42).

Calculate the percentage increase in the price of Meadow Foods' milk required for it to equal the average farm milk price.

.....

.....

.....

.....

Answer = ..... [2]

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**END OF QUESTION PAPER**

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