

OCR

Oxford Cambridge and RSA

Friday 9 June 2017 – Afternoon

GCSE BUSINESS STUDIES

A293/01 Production, Finance and the External Business Environment

Candidates answer on the Question Paper.

OCR supplied materials:

- Clean copy Case Study

Other materials required:

- Calculators may be used

Duration: 1 hour 30 minutes



Candidate forename		Candidate surname	
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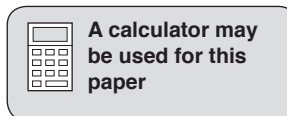
Centre number						Candidate number				
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INSTRUCTIONS TO CANDIDATES

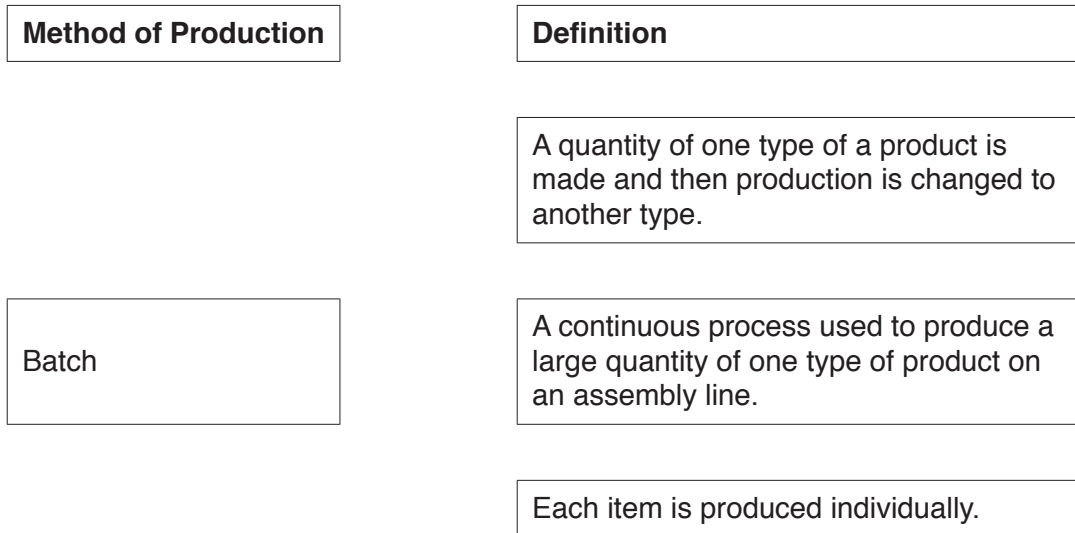
- Write your name, centre number and candidate number in the boxes above. Please write clearly and in capital letters.
- Use black ink. HB pencil may be used for graphs and diagrams only.
- Answer **all** the questions.
- Read each question carefully. Make sure you know what you have to do before starting your answer.
- Write your answer to each question in the space provided. If additional space is required, you should 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.
- Make sure that all your answers relate to the Case Study material.

INFORMATION FOR CANDIDATES

- The number of marks is given in brackets [] at the end of each question or part question.
- The total number of marks for this paper is **90**.
- Your quality of written communication will be assessed in questions marked with an asterisk (*).
- This document consists of **16** pages. Any blank pages are indicated.



- 1 (a) (i) The diagram below states the definitions of job, batch and flow methods of production. Draw a line to connect the batch method of production to its correct definition.



[1]

- (ii) Section 5, lines 72 to 75 describes how the Chinese supplier has printed the T-shirts sold at The Festival in previous years.

State and explain two advantages to the Chinese supplier of using the **batch** method of production to print the T-shirts for The Festival.

Advantage 1

Explanation

.....

.....

Advantage 2

Explanation

.....

.....

[4]

- (b) (i) Section 5, lines 72 to 75, shows how the Chinese supplier uses the flow method of production to manufacture standard T-shirts. The flow method can lead to economies of scale in production.

Using the words below, complete the following sentence to define the term 'economies of large scale production.'

total average increases decreases

Economies of large scale production occur when the _____ cost of production falls when a firm _____ its scale of output.

[2]

- (ii) State and explain two types of economy of large scale production that the Chinese supplier may benefit from.

Type of economy of scale 1

Explanation

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Type of economy of scale 2

Explanation

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[6]

- (iii) Complete the following sentence using one of the words below.

diseconomies economies advantages

If the average costs of production rise as the scale of output is increased, these are called _____ of large scale production.

[1]

2 (a) Use the words below to complete the paragraph that follows.

tariffs interest trade goods laws

The European Union allows free between EU countries. This means that there will be no on any goods imported by one EU country from another.

[2]

(b) Section 2, lines 38–39 of the case study state ‘The exchange rate of the pound has fluctuated against the euro (€) and may affect some businesses and events such as the Bowton Mountain Festival.’

(i) A weekend pass for The Festival costs £60.

Complete the calculation below to show how much, in euros, a weekend pass would cost visitors from Eurozone countries if the exchange rate was £1 = 1.2€.

£60 × 1.2 = €

[1]

(ii) Calculate the new price, in euros, for the £60 weekend pass if the exchange rate for the pound rose to £1 = 1.25€. Show your working.

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..... [2]

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3 (a) (i) Define the term 'monopoly.'

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..... [1]

(ii) Using information in Sections 1 and 6 of the case study, explain how the market for outdoor pursuits products in Bowton changes during the festival weekend, compared to the market outside Festival time.

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..... [2]

(iii) Using information in Sections 1 and 6 of the case study, explain whether or not you agree with the decision of the manager of Spirit of Adventure shop to reduce the prices of outdoor pursuits products during the festival weekend.

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..... [3]

(iii) Define the term 'cash flow forecast.'

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..... [2]

(iv) Explain **two** possible reasons why the cash flow forecast for BMF Ltd may not be accurate.

Reason One

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Reason Two

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..... [4]

(c) Using information in the case study, identify **two** examples which show that BMF Ltd is part of a global economy.

Example 1

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Example 2

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..... [2]

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END OF QUESTION PAPER

ADDITIONAL ANSWER SPACE

If additional space is required, you should use the following lined page(s). The question number(s) must be clearly shown in the margin(s).

A large area of lined paper for writing. It features a vertical margin line on the left side and horizontal dotted lines for writing. The lines are evenly spaced and extend across the width of the page.

A large rectangular area with a solid vertical line on the left side and horizontal dotted lines across the rest of the page, intended for writing answers.



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