



Oxford Cambridge and RSA

Monday 3 June 2019 – Afternoon

A Level Business

H431/02 The UK business environment

Time allowed: 2 hours



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)

Last name

INSTRUCTIONS

- Use black ink.
- Answer **all** the questions.
- Write your answer to each question in the space provided. Additional paper may be used if necessary but you must clearly show your candidate number, centre number and question number(s).
- The Resource Booklet is for **Section B** only.

INFORMATION

- The total mark for this paper is **80**.
- 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.



A calculator may
be used for this
paper

Section A

Answer **all** the questions.

- 1 State **two** factors which may affect the choice of finance for a business.

1

2 [2]

- 2 What is meant by 'opportunity cost'.

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..... [2]

- 3 A business manufactures teddy bears. Its turnover for the last financial year was £280 000 with cost of sales of £115 000 and other expenses of £55 000.

Calculate the gross profit for the business.

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Answer [2]

- 4 'Intensity of rivalry within the industry' is one of the forces identified by Porter in his Five Forces model of strategic choice.

List **two** of the other forces identified by Porter in his Five Forces model.

1

2 [2]

- 5 The table below sets out a selection of workforce performance data for a business, using index numbers.

	2016	2017	2018
Lateness	112	100	101
Absenteeism	115	100	97
Productivity	79	100	121

- (a) Identify the base year for all of the data.

..... [1]

- (b) Identify the year in which productivity rose by 21%.

..... [1]

- (c) Calculate the percentage change in absenteeism between 2016 and 2018.

.....

Answer [2]

- 6 Explain **two** disadvantages for a business of using job production.

1

2

[4]

7 Explain **two** functions of management.

1

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2

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[4]

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

- [4]

-
- This image shows a full page of white paper with horizontal dashed lines, typical of primary school writing paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

10* **Extract B** suggests that Hotel Chocolat sees itself as an innovative company.

Evaluate whether the advantages of product innovation for Hotel Chocolat outweigh the disadvantages. **[15]**

[illegible]

[illegible]

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- 12 Analyse **one** primary market research technique that Hotel Chocolat may have used when deciding to locate its Peterborough shop in the Queensgate shopping centre.

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..... [4]

- 13 (a) Weekly consumer income in the UK increased from £465 in July 2016 to £474 in July 2017.

Using data from **Extract A**, calculate the income elasticity of demand for Hotel Chocolat's products over this period.

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Answer [4]

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