

Please write clearly in block capitals.

Centre number

Candidate number

Surname \_\_\_\_\_

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I declare this is my own work.

# INTERNATIONAL GCSE BUSINESS

## Paper 1 Influences of Operations and Human Resources on Business Activity

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	
<b>TOTAL</b>	



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

Employees are a group of stakeholders in a business.

Which one of the following is likely to be their main objective?

**[1 mark]****A** Maximising pay**B** Maximising profit**C** Minimising dividends**D** Minimising environmental impact**0 2**

The sea represents which factor of production to a commercial fisherman?

**[1 mark]****A** Capital**B** Enterprise**C** Labour**D** Land

**0 3**

A business creates a website through which it can sell its own products directly to customers.

This is an example of:

**[1 mark]**

**A** Decentralisation

**B** E-commerce

**C** Social media

**D** Video conferencing

**0 4**

The value of the Chinese currency (CNY) increases against the value of the UK currency (GBP).

Which **one** of the following businesses will benefit?

**[1 mark]**

**A** A Chinese manufacturer that exports to the UK

**B** A Chinese travel company that sells holidays to UK tourists

**C** A UK manufacturer that exports to China

**D** A UK manufacturer that imports components from China

**0 5**

Which **one** of the following is an effect of stricter health and safety law to a business?

**[1 mark]**

**A** Changes to post-sales service

**B** Increasing employees' hourly pay

**C** Re-writing documents used for recruiting new staff

**D** The need to provide more training for staff

**Turn over for the next question**

**Turn over ►**

**0 6**

Explain what is meant by a 'salary'.

**[2 marks]**

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**0 7**

In March a business made and sold 200 units. Total variable costs were \$400.

In April the business made and sold 250 units. Variable costs per unit did not change. Calculate the total variable costs.

Show your calculations.

**[2 marks]**

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**0 8**Identify and explain **one** way in which a business may face a trade-off between ethics and profit.**[2 marks]**

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**0 9**

Identify and explain **two** disadvantages of using profit sharing as a method of motivation.

**[4 marks]**

Disadvantage 1 \_\_\_\_\_

\_\_\_\_\_

Disadvantage 2 \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
**15**

**Turn over for the next section**

**Turn over ►**



**Section B**Answer **all** questions in the spaces provided.**1 0****Item A – VVD Computers**

VVD produces laptop computers for several technology brands. The flow production line at its giant factory in China produces tens of thousands of laptops each month. The production equipment was updated in 2020 with 15 new robots. This helped to reduce average unit cost by 12% from 2019.

**Table 1 – Average unit costs 2020 – Chinese Yuan (CNY)**

Variable cost per unit	76 CNY
Fixed cost per unit	100 CNY

**1 0 . 1**Using **Item A**, explain the meaning of ‘technical economies of scale’.**[2 marks]**


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**1 0 . 2**Identify and explain **two** possible problems of using flow production for VVD.**[4 marks]**

Problem 1 \_\_\_\_\_

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Problem 2 \_\_\_\_\_

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1 0 . 3

Calculate VVD's average unit cost in 2019.

Show your calculations.

**[3 marks]**


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**Item B**

Operations manager Kevin was appointed to improve efficiency at VVD. Kevin believes that quality should be the top priority. He organised training for all staff on the importance of producing high-quality products. This training helped to reduce the number of faulty products.

Kevin's next change is to introduce Just In Time (JIT) stock control. He believes that this will lead to further efficiency improvements.

1 0 . 4

Kevin prioritised quality because 10% of VVD's output had quality problems.

Identify and explain **two** possible consequences to VVD of failing to identify quality problems.**[6 marks]**

Consequence 1 \_\_\_\_\_

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Consequence 2 \_\_\_\_\_

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**Question 10 continues on the next page****Turn over ►**









**Section C**

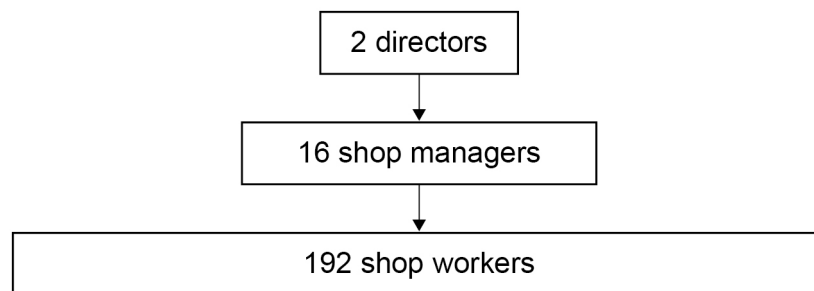
Answer **all** questions in the spaces provided.

1 1

**Item D – Boakes Fashion Clothing**

Boakes is a high-class retailer, selling a range of top-quality, branded, fashionable clothing at high prices for tourists and rich local people. The company operates 16 stores in the United Arab Emirates (UAE). Ismael and Abdullah started the business. They are the two directors and they run the business.

Below the two directors there is a flat organisational structure, shown in **Figure 1**.

**Figure 1**

1 1 . 1

Using **Item D**, explain what is meant by the term 'entrepreneur'.

**[2 marks]**


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1 1 . 4

Identify and explain **two** ways that Boakes can use social media to improve customer service.

**[4 marks]**

1 \_\_\_\_\_

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2 \_\_\_\_\_

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**Question 11 continues on the next page**

**Turn over ►**



**Item F**

In order to increase profit, Ismael and Abdullah plan to open another store in a new mall in Dubai. They agree that all staff recruited to work in the store should be trained for a week. This will ensure the store offers the excellent customer service that is an important part of Boakes' reputation.

Ismael and Abdullah do not agree on how to recruit a manager for the new store. Ismael wants to use internal recruitment. Abdullah would prefer to recruit an experienced manager from outside the business.

**1 1 . 5**

Identify and explain **two** ways that training would help to increase sales at the new store.

**[6 marks]**

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