General Certificate of Education
Advanced Level Examination
January 2010

Business Studies BUSS4

Unit 4 The Business Environment and Managing Change

Monday 1 February 2010 1.30 pm to 3.15 pm

For this paper you must have:
- a 12-page answer book.

You may use a calculator.

Time allowed
- 1 hour 45 minutes

Instructions
- Use black ink or black ball-point pen.
- Write the information required on the front of your answer book. The **Examining Body** for this paper is AQA. The **Paper Reference** is BUSS4.
- Answer **one** question from **Section A** and **one** question from **Section B**.
- Do all rough work in your answer 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 80.
- You will be marked on your ability to:
  – use good English
  – organise information clearly
  – use specialist vocabulary where appropriate.

Research Theme – Emerging Markets

In your research on emerging markets you should consider:

- the opportunities and threats to businesses provided by these markets
- strategies adopted by businesses involved in these markets to exploit the opportunities or to reduce the threats
- factors that might influence business success and failure in these markets
- the ethical and cultural issues involved in operating in these markets including the impact on stakeholders
- the experience of businesses selling to, producing in or buying from these markets
- issues facing businesses entering these markets for the first time
- general economic and demographic trends in these markets in relation to business performance.

You are strongly recommended to study two emerging markets, such as Brazil, Russia, India or China, as this will help you to compare and contrast different countries. Questions will relate to general issues involved in emerging markets and will not refer to one specific country.

You should make reference to your research in your responses to **Section A** in the examination.

SECTION A

Answer **one** question from this section.

1 Read the item below and then answer **one** of the questions that follow.

Sony

The Sony Corporation:

- includes film, television, computer entertainment, music and online businesses
- has a broad product portfolio, including flat screen TVs, DVD players, digital cameras, video cameras, PlayStation, digicams, Walkman personal stereos, Viao personal computers and digital books
- had sales of 7730 billion yen in 2009 and employed 180 500 people worldwide.

Figure 1: Geographic breakdown of Sony's sales, 2009

	Yen in billions	**% change in sales on 2008**
United States	1827.8	–18
Europe	1987.7	–15
Japan	1873.2	–9
Other areas	2041.3	–10
Total	**7730.0**	**–13**

Source: *Sony Annual Report* 2009

Sony is concerned about the recession and slow future growth rates in the United States, Europe and Japan. It has announced a growth strategy that focuses on emerging markets.

Sony's objective, at the moment, is to increase its annual sales in the BRIC economies (Brazil, Russia, India and China) to 2000 billion yen by 2010. It aims to achieve continued fast growth in these and new emerging markets in the long term.

EITHER

1 With reference to the item on Sony and your own research, to what extent do you think that a business strategy of targeting emerging markets is a good one? *(40 marks)*

OR

2 With reference to the item on Sony and your own research, to what extent do you think that low levels of income per person are likely to be the main barrier to businesses achieving their objectives in emerging markets? *(40 marks)*

Turn over for Section B

SECTION B

Answer **one** question from this section.

3 With reference to organisations or industries that you know, to what extent do you think that recent changes in the UK economy will have inevitably damaged the long-term profits of businesses that operate in this country? *(40 marks)*

4 The Intel Corporation produces microprocessors that are used in computers. It has a market share of over 75% and has been praised for its highly innovative culture. Do you think that an innovative culture can be relied on to guarantee the future success of a business? Justify your answer with reference to Intel and/or other organisations you know. *(40 marks)*

5 Steve Jobs, the founder of Apple, was asked to come back as Chief Executive in 1997 when the business was making a loss. Jobs was appointed to provide a clearer vision for the business and to improve its profitability. How easy is it for a Chief Executive to change a struggling business into a more successful one? Justify your answer with reference to Apple and/or other organisations you know. *(40 marks)*

END OF QUESTIONS

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