General Certificate of Education
Advanced Level Examination
January 2011

Business Studies BUSS4

Unit 4 The Business Environment and Managing Change

Monday 31 January 2011 1.30 pm to 3.15 pm

For this paper you must have:
- an AQA 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 – The Recent Recession in the UK

In your research on the recent recession in the UK you should consider:

- how the recession can create opportunities and threats for businesses and industries
- the long-term strategies and short-term plans adopted by businesses in the recession
- factors influencing the strategies businesses adopt in the recession
- strategies that businesses could have adopted to prepare for the recession
- the possible impact of the recession on stakeholders and on relationships between businesses and their stakeholders
- the case for and against different businesses and industries receiving government financial support during a recession.

Your research should consider the effects of and reaction to the recent recession in the UK in relation to different businesses and industries.

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

SECTION A

Answer **one** question from this section.

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

Domino's Pizza

Domino's is Britain's biggest pizza delivery service with more than 500 outlets. It recently announced a 25% increase in its annual pre-tax profits to £23.4 million as consumers in the recession switched from eating in restaurants to buying takeaway food. About a third of the 2.7 million households it delivered to were new customers.

The Chief Executive of Domino's said that, despite the tough economic environment in 2008, he was confident that the company was well positioned for growth which would be achieved by exceeding customers' expectations of product quality and speed of delivery, thereby building customer loyalty. The company had also benefited from social change such as growth in one person households. Working closely with suppliers and employees, Domino's said that it was well on target to meet its objective of having 1000 stores in the next ten years.

Domino's results follow good news from another fast food company, Kentucky Fried Chicken (KFC). KFC announced that it would create 9000 jobs in the UK and Ireland by opening up another 300 new restaurants.

EITHER

0 1 With reference to the item above and your own research, to what extent do you think that the amount of profits earned by a business in a recession depends entirely on the industry in which it operates? *(40 marks)*

OR

0 2 With reference to the item above and your own research, to what extent can a recession improve relations between a business and its stakeholders? *(40 marks)*

Turn over for Section B

SECTION B

Answer **one** question from this section.

EITHER

0 3 Greater access to the internet has enabled buyers to search more easily for information about potential suppliers of goods and services. This has significantly affected many industries, such as insurance, banking, retailing and travel. To what extent do you think that increased internet usage inevitably reduces producers' profits? Justify your answer with reference to organisations and/or industries that you know. *(40 marks)*

OR

0 4 Future demographic change in the UK will include growth in the overall population and a further increase in the proportion of the population aged over 55. To what extent does demographic change in the UK represent more of an opportunity than a threat to UK businesses? Justify your answer with reference to organisations and/or industries that you know. *(40 marks)*

OR

0 5 Richard Branson set up the first Virgin music store in 1971 and is well known for his entrepreneurial approach. The Virgin group now includes many different organisations, such as an airline, a train company and a mobile phone business. To what extent will the performance of a business such as Virgin inevitably decline after the retirement of its founder? Justify your answer with reference to Virgin and/or other organisations that you know. *(40 marks)*

END OF QUESTIONS

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