

4UEO

Enterprising Organisations

Tuesday 11 June, Afternoon

1. Examination duration: 3 hours
2. The marks for each question are shown in brackets; use this as a guide on how much time to spend on each question.
3. Read the instructions at the top of each section carefully.
4. No books, dictionaries, notes or any other written materials are allowed in this examination.
5. Calculators, including scientific calculators, are allowed provided they are not programmable and cannot store or recall information. All other electronic devices, including mobile phones and smart watches, are not permitted.
6. Candidates who break ABE Examination Regulations will be disqualified from the examinations.
7. Question papers must not be removed from the examination room.

Section A	20 × 1 mark	20 marks
Section B	3 × 10 marks	30 marks
Section C	2 (of 3) × 25 marks	50 marks
Total:		100 marks

## Section A – 20 marks

(20 multiple choice questions × 1 mark)

Select one correct answer from the four options on each of the following 20 questions.

1. Which of the following is an internal stakeholder in a business?

- |    |             |
|----|-------------|
| A. | Shareholder |
| B. | Supplier    |
| C. | Manager     |
| D. | Customer    |

2. Which of the following is most likely to be a good indicator of the culture in a business?

- |    |                              |
|----|------------------------------|
| A. | Profit margins               |
| B. | Reward systems               |
| C. | Pricing policy               |
| D. | Choice of production process |

3. Which of the following is a reason why a partnership would become a private limited company?

- |    |  |
|----|--|
| A. | The business will have unlimited liability           |
| B. | The business can keep financial records confidential |
| C. | The risk of losing personal assets is reduced        |
| D. | Shareholders are liable for all debts                |

4. A feature of a Public limited company (PLC) is that the organisation:

- |    |  |
|----|--|
| A. | Tends to charge higher prices for similar products |
| B. | Requires at least two directors                    |
| C. | Can only raise a limited amount of capital         |
| D. | Has a limited number of shareholders               |

5. Kaizen is most associated with the term:

- |    |                        |
|----|------------------------|
| A. | Continuous improvement |
| B. | Just-in-time           |
| C. | Stock management       |
| D. | Economies of scale     |

6. Supplier reliability is particularly important for a business that:

- A. Exports a substantial proportion of sales
- B. Sells own-label goods
- C. Operates flexible working
- D. Operates a just-in-time system

7. An advantage of a flat organisational structure is:

- A. There are more opportunities for promotion
- B. Worker responsibilities are clear
- C. Communication is quicker
- D. There is a narrow span of control

8. The main objective of a quality control system is to:

- A. Ensure finished products meet the required standard
- B. Replace products returned by dissatisfied customers
- C. Reduce unit costs and increase profitability
- D. Empower employees to get things right first time

9. Which of the following is a feature of a power culture?

- A. Power is decentralised to decision makers
- B. Emphasis is placed on customer needs
- C. Management encourage empowerment
- D. Senior management retain tight control

10. Which of the following calculates profit?

- A. Profit = sales + variable costs + fixed costs
- B. Profit = sales + variable costs – fixed costs
- C. Profit = sales - variable costs + fixed costs
- D. Profit = sales - variable costs - fixed costs

11. In which situation is an effective manager most likely to use of laissez-faire management style?

- A. Employees have additional training needs
- B. Employees are in the process of being made redundant
- C. Employees are skilled and motivated
- D. Employees are threatening industrial action

12. Which of the Human Resource management activities would be the most suitable as part of a strategy of talent development?

- A. Identifying and supporting employees with potential
- B. Improving internal communication process
- C. Maximising labour productivity through external training
- D. Providing bonuses for high performing sales staff

13. Which of these people would be most likely to work in the procurement department of a clothes manufacturer?

- A. Customer service adviser
- B. Delivery driver
- C. Buyer
- D. Machinist

14. Corporate business objectives are set in order to:

- A. Improve operational efficiency
- B. Provide a focus for all business activity
- C. Enable performance-related bonuses to be calculated
- D. Provide detailed targets for all individuals and teams

15. An advantage of operating as an incorporated rather than unincorporated business is that the business:

- A. Will be more efficient in the decision-making process
- B. Will have unlimited liability
- C. Remains in existence after a change in ownership
- D. Will be able to secure finance from the banking system

16. An external influence which is likely to affect whether a large retail chain can achieve its operational objectives is:
- |    |   |
|----|---|
| A. | Growth strategies of key competitors          |
| B. | Choice of location of retail outlets          |
| C. | Corporate objectives leading to profitability |
| D. | Skills and training of the senior management  |
17. A description of a tall organisational structure would be:
- |    |  |
|----|--|
| A. | Many levels in hierarchy and narrow spans of control |
| B. | Few layers in hierarchy and narrow spans of control  |
| C. | Many levels in hierarchy and wide spans of control   |
| D. | Few levels in hierarchy and wide spans of control    |
18. Which of the following is an advantage for an entrepreneur of starting a business as a sole trader?
- |    |   |
|----|---|
| A. | The break-even point will be lower              |
| B. | Less risky than other types of market structure |
| C. | Any profits can be kept by the owner            |
| D. | Limited liability means losses can be minimised |
19. Operations Management can be described as an example of:
- |    |                        |
|----|------------------------|
| A. | Translation process    |
| B. | Transaction process    |
| C. | Transition process     |
| D. | Transformation process |
20. Which of the following statements about balanced scorecards is correct?
- |    |  |
|----|--|
| A. | Organisations sometimes use a 'traffic-light' system on their balanced scorecard to help them prioritise their activities.   |
| B. | Balanced scorecards always report using the same time periods as the financial accounting system.                            |
| C. | The fundamental idea of balanced scorecards is to create corporate strategy.   |
| D. | One fundamental idea of balanced scorecards is to increase the number of performance indicators used to manage the business. |

## Section B – 30 marks

(3 × 10 marks each = 30 marks total)

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Answer all questions

21 (10 marks)

- a. Explain THREE roles of the Marketing function of a business organisation.. (6 marks)
- b. Explain TWO functions of the performance management cycle.. (4 marks)

22 (10 marks)

- a. Define the term 'private sector'.. (2 marks)
- b. Explain TWO advantages and TWO disadvantages for a business of operating in the private sector.. (8 marks)

23 (10 marks)

Evaluate FIVE characteristics of an effective leader.

## Section C – 50 marks

(2 of 3 × 25 marks each = 50 marks total)

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Answer TWO questions only

**24 (25 marks)**

Discuss the advantages and disadvantages of operating as a franchisee. Support your answer with examples.

**25 (25 marks)**

Evaluate how a firm can use PESTLE analysis within the development of its business strategy. Support your answer with examples.

**26 (25 marks)**

Discuss the opportunities and threats of globalisation to a business organisation of your choice.

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End of question paper

PAST PAPER

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