

Candidate Name

Candidate Number

Centre Name

Centre Number

Paper 2: Business Studies

For Examination December 2023

(1 Hour 30 Minutes)

It is necessary to respond on the answer sheets provided alongside this question paper. Additionally, you must have a soft pencil (preferably of type B or HB), a clean eraser and a dark blue or black pen.

INSTRUCTIONS:

- You must write your name, candidate number, centre name and centre number on the answer sheets in the designated spaces.
- Attempt all the questions required using a dark blue or black pen.
- It is important to follow the instructions provided on the answer sheets.
- Do not use correction fluid.
- Avoid writing on any bar codes.

INFORMATION:

The total number of **marks for this paper is 60**. The number of marks assigned for every question or its parts is indicated within brackets []

Section A: Data Response Questions

JSK Electronics and Polymers create a range of plastic toys, gifts and novelty items. They have been operating for over 30 years. Raw materials are purchased and then transformed into the final product; this is time consuming, costly and often leads to excess wastage due to malfunctioning machinery, poor staff training and improper accounting procedures.

The company's management structure is multi-layered and includes a number of middle management positions with some overlap between teams and functions. A range of financial statements are produced, including income statements, ratio analysis, capital balance sheets and statements of financial positions are produced but are rarely considered by senior management team members.

The board of Directors meet once every 6 months and only convenes for one hour. The company has maintained a steady stream of customers within the UK and Europe, predominantly in Spain, France, and Greece.

The company inventory controls are extremely poor; there are allegations of pilfering from staff members. Furthermore, the company's cash flow position is need of improvement - including robust cash forecasting processes - but the company has exhausted conventional means as to how to achieve this objective.

Finally, the company relies on a word of mouth, positive online reviews and repeat customers. However, they wish to expand into other countries, specifically Norway, Iceland, and Finland, but in order to meet this challenge, they will need to bring in a significant amount of finance. The board of Directors has considered a number of short and long term finance measures, specifically bank loans, refinancing, releasing shares or raising bonds (debentures). However, a financial adviser has recently informed them of another possibility – consider raising external capital rather than refinancing or seeking a bank loan.

(1a) Compare key types of transformation processes in operations management.

(3 marks)

2a) Judge how the impact of operations management overlaps with operational effectiveness.

(4 marks)

3a) Examine the indicators of effective business operations.

(3 marks)

4a) Explore the strengths and limitations of labour and capital intensives.

(4 marks)

5a) Examine the methods and purpose to control inventory management.

(4 marks)

6a) Examine key factors influencing operational based decisions.

(2 marks)

7a) Examine the role of flexibility and innovation within operations planning

(4 marks)

8a) Compare major operational planning methods.

(3 marks)

9a) Compare the purpose and basic features of working and start-up capital.

(3 marks)

10a) Describe features of short term and long-term finance

(3 marks)

11a) Examine the significance of work capital in business finance.

(2 marks)

12a) Explain the impact of a legal structure on sources of finance.

(3 marks)

13a) Explore the features of internal and external sources of finance.

(2 marks)

14a) Discuss the purpose of income statements and statement of financial position.

(4 marks)

15a) Summarise methods of ratio analysis and their role in improving a business.

(3 marks)

16a) Examine the purpose and implementation of cash forecasts.

(3 marks)

17a) Compare major techniques to improve cash flow.

(3 marks)

18a) Compare key types of transformation processes in operation management.

(3 marks)

19a) Compare key types of transformation processes in operation management.

(4 marks)