

OCR

AS

# Business Studies

SECOND EDITION

*CD-ROM for students*  
*Questions and answers*

# Contents

<b>Introduction</b> .....	3
<b>Questions and answers</b> .....	4
<b>Section A</b> .....	4
<b>Section B</b> .....	5

For further questions and answers, with examiner comments, and specific content guidance on each unit, see our *Student Unit Guides* for OCR AS business studies (available from autumn 2008). For more information and to order copies online, visit [www.philipallan.co.uk](http://www.philipallan.co.uk), or contact Bookpoint on 01235 827720.

978-0-340-95822-3 *OCR AS Business Studies Unit 1: An Introduction to Business*

978-0-340-95823-0 *OCR AS Business Studies Unit 2: Business Functions*

# Introduction

The questions on this CD-ROM are modelled on the new examination format for Unit F292: Business Functions. Their purpose is to give you the opportunity to tackle examination-style questions either as a set task for homework or as an additional 'mock' examination.

Your teacher may ask you either to complete Sections A and B separately, or to answer both together to form a complete Unit 2 Business Functions paper. If you are answering just Section A, you should spend a maximum of 20 minutes. However, if you are answering both sections, the time allowed is 2 hours, assuming the case material has been pre-issued.

The case study 'Ben's Bikes' that the Section B questions are based on is provided on pp. 299–300 of the *OCR AS Business Studies* textbook. The amount of information offered is not as detailed as to be found in the actual Business Functions case study, but it still allows for a useful test of your ability to answer under examination conditions.

## Unit F292: Business Functions

This paper consists of two sections, A and B.

### Section A

This section consists of six stand-alone questions that require short answers. They do not have to be answered in the context of the case study. Do not spend too much time on this section, especially as the mark allocation for each question is only 2 or 4 marks. It is much more important to ensure that you leave sufficient time for Section B, which has four questions each worth 16 or 20 marks.

It is essential that you realise that a 'state' question requires just that. There is *no* need for any elaboration as this will not gain any additional marks and will take up valuable time.

For an 'outline/explain' question, you do need to offer some elaboration. To ensure you gain Level 2 marks, it must be clear that you understand the terms in the question. Just stating two particular styles of leadership in answer to Question 1(f), for example, will only gain a Level 1 mark for the knowledge given. If, however, you are able to give some explanation as to what the styles involve (e.g. a lack of delegation for an autocratic leader), you will gain a Level 2 mark. Alternatively, explaining how an employee may react to such a style of leadership will also access Level 2. Even when answering Section A questions it is a good idea to provide a context to show the examiner that you understand the terms you have used.

### Section B

The quality of your written language will be assessed in your answers to the questions marked with an asterisk (\*). Consideration will be given to the spelling, punctuation and grammar. In addition, consideration will be given to the organisation of the answer and its clarity and cohesion.

You should also notice from the mark schemes provided for the questions in this section that in order to gain high marks you need to demonstrate Level 3 (analysis) and Level 4 (evaluation). Refer to the introduction to your *OCR AS Business Studies* textbook (pp. viii–ix) for an explanation of the different levels of response and examples of how to include analysis and evaluation in your answers.

# Questions and answers

## Section A

Total: 18 marks

### Question 1

Answer all questions.

- a Pricing is one component of the marketing mix. Identify two other components of the marketing mix.** (2 marks)
- b State two advantages of budgeting.** (2 marks)
- c What is meant by the term 'just-in-time'?** (2 marks)
- d When bicycles are sold at £100, the quantity sold at the local bike shop is 15. After a price increase of £20, the quantity sold falls to 10. Calculate the price elasticity of demand for the bicycles.** (4 marks)
- e Outline two advantages of using flow production** (4 marks)
- f Explain two styles of leadership.** (4 marks)

### Mark scheme

- a Level 1** Any two from: promotion, place or product. Candidates who refer to specific elements within the general mix will also be rewarded (e.g. market research). (2 marks)
- b Level 1** Any two from: it enables success to be measured; control of expenditure; sense of direction; helps management prioritise; allows for delegation to departments; encourages efficiency. (2 marks)
- c Level 1** Accept any reference to a method of reducing the level of stock held; having stock delivered and used on the line straight away; one aspect of lean production; a way of reducing stock/costs; a method of increasing efficiency/competitiveness. (2 marks)
- d Level 1** (1–4 marks)
- Formula  $\frac{\% \text{ change in demand}}{\% \text{ change in price}}$  (1 mark)
- change in demand 15 to 10 (1 mark)
- change in price from £100 to £120 (1 mark)
- Answer  $\frac{33.3\%}{20\%} = 1.67$  (elastic) (1 mark)
- e Level 2** Explanation/application/understanding. Leadership style explained by how employees affected, type of behaviour of leader, type of organisational structure, degree of delegation offered or involvement of employees. (3–4 marks)
- Level 1** Styles stated: demographic, laissez-faire, autocratic, paternalistic. (1–2 marks)

## Section B

Questions 2–5 are based on the case study Ben's Bikes, which is provided on pp. 299–300 of the *OCR AS Business Studies* textbook. Your answers should make specific reference to the issues in the context of Ben's Bikes.

**Total: 72 marks**

### Question 2

**Ben has decided that in order to spend more time with Fiona, he will employ Michael on a part-time basis and delegate more jobs to Ronak and Jason. Evaluate the training implications of this decision.**

(20 marks)

#### Commentary

Stronger answers will include two separate elements: induction training for Michael and ongoing training for Ronak and Jason. Candidates only addressing one will not be penalised in terms of the level awarded but will be rewarded at the lower end of the appropriate level.

Induction training will be necessary for Michael. When will this be done? Some off-the-job training (e.g. in 'bicycle building' and the legal requirements) will be necessary. Michael will presumably be paid for any time spent training off the job and so there will be an extra cost. It will also be necessary for Ben to give some training (e.g. on where the stock is stored and pricing) in the shop itself. Michael's business failed and 'Ben never thought that his brother had the qualities of an entrepreneur' and so some business/customer skills are clearly lacking.

In the short run at least it may therefore be the case that while Michael is undertaking on- and off-the job training Ben has to spend more time at the shop not less. There will be an opportunity cost to Ben's time.

Would it be a sensible idea for Ben to allow Ronak/Jason to help train Michael? It would save Ben time but might be regarded by Michael as Ben not being interested in his own brother. Ronak and Jason may be pleased with the trust shown in them, but an issue here is whether they are competent enough — the effectiveness of the training depends on the skill of the trainer. Their timekeeping is not good and Ben will not want his brother to pick up any bad habits.

Ben has assumed that Ronak and Jason will not mind extra responsibility. This may well be the case and it may be welcomed and be seen as motivating. However, he needs to speak to them about it first. He will also have to consider whether the extra responsibilities will require extra remuneration (which is likely). Training is not a business activity to be regarded in isolation — it is related to other important human resource issues.

The training for Ronak and Jason will depend on the type of jobs Ben wishes to delegate and so he must give some thought as to what these will be. It is vital that they are equipped with the correct skills. The case states, 'Ben thinks that the unique selling point of his business is the advice and service he offers. He certainly knows a lot about bikes and their design, and his customers value his help.' If the training does not ensure that Ronak and Jason can provide this, Ben may lose his USP.

Will they be trained together or singly? If the training is when the shop is closed (as opposed to during less busy periods) then, as with Michael, presumably they will be paid.

## Questions and answers

At the end of any training there should be an evaluation of how effective it has been. How might Ben do this?

### Mark scheme

**Level 4** Some evaluation shown by supported judgement on the training issues, e.g. a sense of strategy as to Ben's training priorities. (Should he train Ronak and Jason first and then employ his brother? Why?) (15–20 marks)

**Level 3** Some analysis of training issue(s) in the context of Ben's Bikes. (9–14 marks)

**Level 2** Some application/understanding of training issue(s). (4–8 marks)

**Level 1** Knowledge recalled about the nature of training. Knowledge of on- and/or off-the-job training stated. (1–3 marks)

### Answer

The first thing Ben needs to do is decide if he should employ his brother right away and train him or if he should train his two existing staff so that they are ready for when Michael arrives. I think that he should train Jason and Ronak first so that they will know everything or almost everything that Michael could ask them. This will be things like what bikes are popular with what age groups, and the law relating to the bikes is important too (i.e. bell and wheel reflector). Ben needs to sort out their bad timekeeping too — this could be part of the training. It will not make a good impression on Michael if the people who already work at Ben's Bikes do not know the answers to questions he might have!

**e** This answer begins well. The candidate is starting to think strategically, though this thinking could be expressed better. The point about timekeeping is a good one, but could have been developed in the context of the training. For Level 3 there would have to be some analysis such as what the effect of this 'bad impression' might be. It is also worth noting that exclamation marks should generally be avoided.

Ben must think about what he wants to delegate to Jason and Ronak. As he has been told by Fiona that he must spend less time in the shop he will be thinking of arriving later and going early and leaving Jason and Ronak to open and close for him. This could mean training in things like the alarm system and cashing up and storing cash at the end of the day. He must also ask them first if they are actually willing to do the extra work. If he didn't do this then any plans he might make for training would have been a big waste of his time. It says in the case that he is busy and stressed and there are other jobs he could have been doing.

**e** A valid assumption is stated about Ben's likely intentions and what follows on the type of training that will therefore be necessary supports it at Level 3. The final sentence of this paragraph exemplifies opportunity cost (in terms of time) in context.

Ben must also find out if they are willing to stay behind after work or start early. He must ensure that the training time suits them, otherwise they will not be committed to it and again he will be wasting his time and so he will not be able to spend less time in the shop which is what he wants to do.

**e** The candidate recognises that Ben's objective is to spend less time in the shop — Level 3 again.

## Questions and answers

He will need to make sure that all the training has been understood. This means Ben must test them on all the things they have been trained on and they must be able to ask questions. If Ben doesn't do this he will never know if they can do the jobs properly and he will only end up having to come back to work to sort out problems.

**e** This paragraph demonstrates analysis in context (Level 3).

In evaluation, Ben should train his two staff first, but he must make sure they are willing to accept the new work he wants to delegate to them. He needs to be clear about what he wants them to do. If not it will be a waste of time. Once he knows that they will do the work he must find out when they can train and if this is outside normal hours agree to train them. Again, if he doesn't do this it will be a waste of time as they will not be interested. Finally, he must make sure that they understand all that he has taught them and that they can do it all on their own. If he does all of this then they will be fully ready to give Michael all the help he needs when he arrives. This will make Ben's life easier and so he will be able to start spending more time with Fiona sooner.

**e** Do *not* start your final paragraph like this. The mere use of the word 'evaluation' does not trigger Level 4. In this case, what follows is evaluative. The candidate does not simply summarise the previous points but develops a sense of strategy, which is precisely what is required — rather than a series of points such as 'Ben might do this...' and 'Ben could do that...'. Finally, the whole paragraph is put into the context of spending more time with his fiancée — which is the objective behind the training in the first place.

**e** Michael has been largely (but not completely) ignored, but this does not matter as the support for Ben's course of action for his two existing staff has been clearly developed and there is a sense of strategy behind it.

**Total: 17/20 marks (Level 4)**

# Questions and answers

## Question 3\*

Using the cash-flow forecast for year 5, discuss the possible changes that could be made by Ben's Bikes in order to improve the situation.

(16 marks)

Cash flow and cash-flow forecast for 5th year of trading (£s)

Month	January	April	July	October	December
<b>Cash inflows/income</b>					
Sales revenue	11,000	25,000	40,200 <sup>†</sup>	25,500 <sup>†</sup>	52,000 <sup>†</sup>
<b>Cash outflows/expenditure</b>					
Cost of purchases	10,500	21,000	30,150	19,125	39,000
Heating and lighting	300	300	340	340	350
Lease payments	0	1500	1,500	1,500	1,500
Other costs <sup>‡</sup>	2,000	2,000	2,000	2,200	2,200
Net cash inflow	(1,800)	200	6,210	2,335	8,950

<sup>†</sup> Forecasted sales figures

<sup>‡</sup> Includes wages, rates, advertising and interest on a loan

### Commentary

Possible changes include:

- increasing sales, but this may incur additional costs in the short run, which would not help the cash-flow situation
- accepting the idea of a new partner to gain a cash injection which could then be used for either increasing sales and/or reducing costs
- selling off stock at reduced prices, overdrafts, reducing credit periods and holding less stock

### Mark scheme

**Level 4** Some evaluation shown by supported judgement made about the suggested changes for Ben's Bikes. Comment on the lack of detailed information; the cash-flow forecast is only for 3 months and the months are not equally spread; nor is it known how accurate the forecast is or what events may happen to affect the cash flow of the business. Comparison of methods of improving the cash flow followed by selection of one as being the most appropriate for Ben's Bikes, with justification.

Complex ideas are expressed clearly and fluently using a style of writing appropriate to the complex subject matter. Sentences and paragraphs, consistently relevant, are well structured, using appropriate technical terminology. There may be few, if any, errors of spelling, punctuation and grammar. (12–16 marks)

**Level 3** Some analysis of the possible changes that could be made to improve the cash-flow situation with specific reference to the context. Suggestions as to the implications for Ben's Bikes if a particular method of improving the cash flow is applied.

## Questions and answers

Relatively straightforward ideas are expressed with some clarity and fluency. Arguments are generally relevant, though may stray from the point of the question. There will be some errors of spelling, punctuation and grammar, but these are unlikely to be intrusive or obscure meaning. (7–11 marks)

**Level 2** Some understanding of the issues related to the cash flow for the business. No real suggestions/explanations for changes that will improve the cash flow of this business. Simple comments made related to cash flow.

There are likely to be errors of spelling, punctuation and grammar, some of which may be noticeable and intrusive. (3–6 marks)

**Level 1** Some knowledge of cash flow in general terms.

Some simple ideas are expressed. There will be some errors of spelling, punctuation and grammar that are noticeable and intrusive. Writing may also lack legibility. (1–2 marks)

### Answer

The table shows that the cash flow for the business is forecasted to be really poor. In some of the months it is a negative figure. Ben has only been going for 4 years and therefore may not be sorted in terms of how to make money. If he was to introduce online ordering this may save him a lot in costs, which could be used to either buy the shop next door and save on his lease payments or reduce the staff costs in the shop.

**e** The answer does not indicate why the forecast cash flow is 'really poor'. It refers to the fact that there is a negative figure 'in some months', but no figures are quoted or any particular month cited to support this.

The suggestion that Ben should introduce online sales is Level 1. The explanation of the consequences would access Level 2, but Level 3 could not be gained as there is no link to the question. To access Level 3 the candidate needed to explain that this would reduce expenditure and therefore reduce the outflows, which in turn would help improve the net cash flow.

Selling more bikes will increase his revenue and therefore his cash flow will be even more positive for the rest of the year.

**e** Although true, this statement does not offer sufficient explanation or analysis to warrant Level 3. How will it improve the cash flow? How will it be achieved? Judging from the table, is it likely to occur?

With the growth of cycle paths there is a good possibility that Ben will be able to sell more bikes and this will mean he has more revenue. If he sells more bikes he may be able to buy the bikes for less money due to economies of scale. This will mean that he has more money to cover the costs of the overhead in the business.

**e** This is an attempt to provide analysis in the context of the case and make a link between the suggestion and the outcome. If the candidate had made it clear that as a result of the economies of scale gained from bulk buying, Ben's unit costs would fall and Ben would not have to spend as much and therefore his cash outflows would be reduced, a high Level 3 would have been gained.

## Questions and answers

A good candidate might have gone on to point out that to gain the savings via economies of scale, Ben would need to buy more bikes and so would be holding more stock and it would therefore depend on the time of year, in terms of his sales, if this was a good strategy.

His brother may be able to inject money into the business to help the cash flow. This may mean that Ben is able to pay off any loans that he has and therefore this will improve his cash flow. It may also allow him to reduce the number of employees and he can solve the problem of Ronak and Jason.

- e Although the candidate is on the right lines, there is again a lack of development in the context of the case and the question. This paragraph is borderline Level 2/3. If the candidate had made it clear how Ben's brother's money would affect the cash flow, Level 3 would have been reached. Furthermore, if the answer had also developed how Ben's brother becoming a partner would help reduce the number of employees in terms of the cash flow, a higher Level 3 mark would have been gained.

He could also use factoring to reduce his debtors.

- e Just mentioning another possible method of improving the cash flow would at best be a Level 1 mark for knowledge. However, there is no reason to believe that this is a viable option, as the case gives no indication of any debts and it is highly unlikely that a factoring business would be involved. You are expected to select appropriate methods in the context of the case.

- e Overall, this candidate has attempted to apply some business studies knowledge to the question. However, there were several missed opportunities to use the information provided in the table and the case. Information in the case is there for you to use.

There is no evidence of any evaluation. The candidate could have suggested that the best method for Ben's Bikes would be to form a partnership with his brother because (justification) it would not have any negative effects on the cash flow of the business, unlike trying to increase sales, where outflows would have to increase to generate further sales. Alternatively, evaluative comments on the reliability of the forecasts in the first place — the lack of detailed information, the lack of knowledge about what happens in the other months not listed — would also be rewarded. The ideas presented are expressed with some clarity. The points raised are relevant and any errors in grammar or spelling are not intrusive.

**Total: 8/16 marks (Level 3)**

## Questions and answers

### Question 4\*

**Ben 'does not do much marketing'. Discuss possible promotion strategies that he could use for Ben's Bikes.**

(16 marks)

#### Commentary

Two answers to this question are given here to highlight the differences between a good and a poor answer. The first answer does not develop the points raised and does not use the context of the case, apart from mentioning at the end that bikes are involved. Such an approach will not earn enough marks for a satisfactory grade. In the second answer the candidate does try to develop the issue and uses the context of the case effectively. He/she makes a clear attempt to prioritise the importance of the methods discussed.

#### Mark scheme

**Level 4** Some evaluation shown by supporting any judgement made about promotion strategies that Ben may or may not find appropriate.

Complex ideas are expressed clearly and fluently using a style of writing appropriate to the complex subject matter. Sentences and paragraphs, consistently relevant, are well structured, using appropriate technical terminology. There may be few, if any, errors of spelling, punctuation and grammar.

(12–16 marks)

**Level 3** Some analysis of appropriate promotion strategies that could be implemented by Ben, with specific reference to the context.

Relatively straightforward ideas are expressed with some clarity and fluency. Arguments are generally relevant, though may stray from the point of the question. There will be some errors of spelling, punctuation and grammar, but these are unlikely to be intrusive or obscure meaning.

(7–11 marks)

**Level 2** Some understanding shown of how promotion strategies may operate, without any real attempt to discuss the issues faced by Ben's Bikes.

There are likely to be errors of spelling, punctuation and grammar, some of which may be noticeable and intrusive.

(3–6 marks)

**Level 1** Some knowledge of promotion strategies in general.

Some simple ideas are expressed. There will be some errors of spelling, punctuation and grammar that are noticeable and intrusive. Writing may also lack legibility.

(1–2 marks)

## Questions and answers

### Answer

#### Candidate A

Ben could use advertising to attract customers. Possible places for adverts include television, radio, the internet and newspapers. This has the advantage of the business being well covered, as many people will see the advertisements. The drawbacks of this for Ben's business are that Ben might not be able to afford such national media coverage. Mass media coverage is not specific to his business. As a small shop Ben could use incentives to persuade customers to come again. For Ben this could include bonus points, loyalty cards or price reductions. Ben relies heavily on word of mouth as a main source of promotion for his business. To change this culture Ben might decide to hold public relations (PR) events. This would allow Ben to make sure the business is well known. He could also use direct marketing. This is an example of informative and persuasive promotion. It includes mail shots and is often supported by catalogues. This is an easy way of getting the products to a customer, but it is expensive and customers can find it a nuisance receiving mail that they didn't want.

Promotion needs to be effective for the business. Television advertising may have huge coverage, but in Ben's case there is no point in advertising his bikes on national television. It is therefore more effective perhaps to advertise in bike magazines which his target audience will be reading.

- e** This answer attempts to consider different methods of advertising. There is some mention of other methods of promotion that could be used but little discussion of these. The national media approach is (correctly) discounted, but the candidate only considers 'direct marketing' as an alternative. There is no attempt to show how Ben might use the different methods. The final suggestion of using bike magazines at least recognises that the business is a bike shop.

Overall, the answer deserves some credit for considering the methods with limited, descriptive discussion. The simple comments made are related to the question.

**Total: 5/16 marks (Level 2)**

#### Candidate B

Promotion is all about communication and telling customers about new products. The aim is to persuade customers to buy that product. Ben has the advantage of living in a bike-loving town, he should therefore have no problem maximising on people's love for the product to help him increase his sales. To do this Ben must use a variety of different promotion strategies.

Advertising is the most common and most used form of promotion. It includes above-the-line forms of media like television, cinema and radio. Above-the-line is direct advertising through consumer media. Advertising can also include indirect advertising such as product placement. Ben only has one shop and lives in a small area. There is no need for mass media coverage as this is pointless as nobody from far away will visit a small bike shop. Ben should use small advertisements in the local paper — this is a cheap and effective option. He could also use advertisements on the local radio and flyers around the town centre.

## Questions and answers

The next forms of promotion are considered to be below-the-line activities. Ben could use his knowledge about bikes to perform direct selling where the customers are approached directly and told about the product.

Ben could use direct marketing because of the fact he has a lot of repeat custom, which although good can soon dry up and he needs to find new customers. Direct marketing includes mail shots and catalogues sent to customers.

Point-of-sale promotion strategy is where Ben could sell mostly small parts. This involves placing small pieces, usually on offer, by the cash desk. This will hopefully prompt the customer to buy the product.

Incentives are a good idea because of the repeat custom that the shop gets. Customers feel that keeping on shopping there will lead to bonuses and loyalties for them.

In my opinion, Ben should try to assess what has worked well in the past and also carry out simple market research to discover more about the type of customers they currently have and what their interests might be. He could then start with simple methods of advertising (leaflets etc.) followed by other methods of promotion.

Promotion is all about being effective to your particular business and its needs. If Ben takes up strategies of advertising locally and offering incentives to customers, then I feel he would have run a successful marketing campaign.

**e** This answer makes a good attempt to consider different methods of promotion in relation to the case study. Above-the-line techniques are considered and effectively dismissed. The effectiveness of different below-the-line methods is also considered and the candidate makes a simple attempt to prioritise the different methods suggested and to present a possible strategy with some notion of what to do when.

The answer could have been improved by linking the advantages and disadvantages of different methods of promotion more closely to the context of Ben's Bikes.

Ideas are expressed clearly and in an appropriate style, using relevant business studies concepts throughout and producing a well-structured answer.

**Total: 12/16 marks (Level 4)**

## Questions and answers

### Question 5\*

**'Ben feels that the unique selling point of his business is the advice and service he offers.'** Discuss how Ben could ensure a high-quality service to his customers.

(20 marks)

### Commentary

There are several routes into the question. You could consider some of the following points:

- Market research. Ben needs to ensure that he stocks the right products — not just bikes, but complementary products as well. He needs to keep an eye on the demographics of the area. Younger people require different models from children/older people. If he cannot meet consumer expectations this will be seen as a poor-quality service and people may go to a rival store instead.
- Ben must keep up to date with the products available so that he can continue to offer appropriate advice and support to his customers. He will need to train Jason, Ronak and his brother in these too. The motivation of his staff is important — although this does not seem to be an issue at the moment.
- Ben's suppliers are key stakeholders. He needs to ensure that deliveries are on time and that if he is out of stock a replacement can be delivered swiftly. This could mean paying promptly. This may worsen his cash flow but should strengthen the relationship with his suppliers.
- An effective system of stock control so that Ben and his employees know what is in stock. Checking the stock for defects, scratches etc. will ensure that the customer receives a quality product. There are issues here such as who will do this and when.

### Mark scheme

**Level 4** Some evaluation shown by supported judgement, e.g. a weighting of the importance of the quality issues.

Complex ideas are expressed clearly and fluently using a style of writing appropriate to the complex subject matter. Sentences and paragraphs, consistently relevant, are well structured, using appropriate technical terminology. There may be few, if any, errors of spelling, punctuation and grammar.

(15–20 marks)

**Level 3** Some analysis of quality issue(s) in context of Ben's Bikes

Relatively straightforward ideas are expressed with some clarity and fluency. Arguments are generally relevant, though may stray from the point of the question. There will be some errors of spelling, punctuation and grammar, but these are unlikely to be intrusive or obscure meaning.

(9–14 marks)

**Level 2** Some application/understanding of quality issue(s). General comments about quality issues with little context.

Some simple ideas are expressed in an appropriate context. There are likely to be some errors of spelling, punctuation and grammar, some of which may be noticeable and intrusive.

(4–8 marks)

**Level 1** Knowledge recalled about the nature of quality/quality control in a business.

There will be some errors of spelling, punctuation and grammar that are noticeable and intrusive. Writing may also lack legibility.

(1–3 marks)

## Questions and answers

### Answer

Quality is very important in any business. If Ben does not pay attention to it his whole business will suffer. First, all the stock must be good. The case says Ben likes to check all deliveries personally. This takes up quite a lot of his time but he believes that it is worth the trouble. I think so too. He may spend time on it but he knows it's right.

- e** This opening paragraph suggests that there is going to be a sense of developing priorities in addressing quality issues, but this does not continue in the rest of the answer.

Ben needs to ensure that he has the right bikes if not he won't have what people want and this is not good as in future they will go to Halfords instead so he will lose out so the right stock at all times is very important.

- e** This long sentence (which does have some valid points) does not help the development of the answer. Some context is used but the answer achieves Level 2 at best.

JIT could be used to make sure he does not waste any money but for this to work he needs a good relationship with them or they will not deliver and so there is a poor quality service.

- e** Stock control is valid, but JIT in this context is certainly not. The 'them' presumably means suppliers. Moreover, the question is not about saving the business money.

Really he needs a system of TQM in place. This means everyone (Jason and Ronak and Michael) always know what to do about quality and then Ben will have a quality service and quality products at all times.

- e** This is another throwaway reference to a business concept. If TQM is appropriate, how should Ben develop it?
- e** Overall, this is a weak answer that is much too short for a 16-mark question. The tone is 'man in the street' (apart from passing references to JIT and TQM, the former being inappropriate and the latter not developed) rather than that of a student of AS business studies. Some simple comments are made, but the sentences are long and intrusive. The answer is not clearly expressed and is thus less readable. If time allows in the examination, it is always a good idea to read through your answers. This will help you to ensure that your answer expresses clearly what you want to say.

**Total: 6/20 marks (Level 2)**