



General Certificate of Education
Advanced Level Examination
June 2014

Business Studies

BUSS4

Unit 4 The Business Environment and Managing Change

Wednesday 18 June 2014 9.00 am to 10.45 am

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 **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 – Developments in emerging markets: China

Your research should focus on businesses from outside of China in relation to their selling to, buying from and producing in China, as well as their entering into ventures with other businesses in China or competing in their own domestic markets with Chinese businesses.

In your research on China you should consider:

- the extent to which China creates opportunities and threats for businesses
- the risks and rewards involved in trading with or operating in China
- the factors affecting the success or failure of businesses trading with or operating in China
- the relative advantages and disadvantages of the ways in which businesses might operate in the Chinese market (eg exporting, joint ventures, mergers or setting up production or sales outlets)
- the ethical and environmental issues involved in trading with or operating in China
- how business strategy might be affected by developments in China.

You are strongly recommended to:

- compare and contrast the experience of different businesses
- be aware of recent trends in key economic and demographic data for China such as national income, income per person, wage costs, exchange rates and population trends
- be aware of the relative significance of trading with or operating in China for different businesses.

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.

China

China has now overtaken the UK as Jaguar Land Rover's largest market in terms of sales. The company recently agreed a joint venture with a Chinese business to manufacture in Shanghai.

However, some businesses such as Symington's, a UK food manufacturer, have moved production back to their own countries due to concerns over issues such as quality and their ability to respond quickly to changes in demand.

Other companies that continue to operate in China or buy from Chinese suppliers have been criticised on ethical and environmental grounds relating to issues such as the pay and working conditions of employees, or the pollution they produce.

Either**0 1**

To what extent do you think China still represents a significant opportunity for businesses from outside of China?

Justify your answer with reference to your research and the item.

[40 marks]**or****0 2**

Do you think businesses from outside of China should stop trading with and operating in China because of the ethical and environmental issues involved?

Justify your answer with reference to your research and the item.

[40 marks]**Turn over for Section B****Turn over ►**

Section B

Answer **one** question from this section.

Either

0 3

The competitive structure of industries can differ significantly due to factors such as the number of competitors and the degree of buyer and supplier power. Companies in the pharmaceutical industry, such as GlaxoSmithKline tend to be relatively profitable, whereas airlines, such as American Airlines tend to have lower profitability. To what extent do you think that the profits of a business are determined by the competitive structure of the industry in which it operates? Justify your answer with reference to GlaxoSmithKline, American Airlines, and/or any other businesses or industries that you know.

[40 marks]

or

0 4

Senior managers of organisations such as British Airways and Royal Mail have faced considerable opposition from stakeholders such as employees when introducing changes to the way the business operates. To what extent is considerable opposition from stakeholders inevitable when change is being introduced? Justify your answer with reference to British Airways, Royal Mail and/or any other businesses that you know.

[40 marks]

or

0 5

New Chief Executives have been appointed at Nokia and Thomas Cook in the last few years to try to turn around the business with a new strategy. To what extent does the success of a new strategy depend on the leader? Justify your answer with reference to Nokia, Thomas Cook and/or any other businesses that you know.

[40 marks]

END OF QUESTIONS