



General Certificate of Education  
Advanced Level Examination  
June 2015

## Business Studies

## BUSS4

### Unit 4 The Business Environment and Managing Change

Wednesday 17 June 2015 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 **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 – Manufacturing in the UK

In your research you should consider:

- the impact of technological change on businesses manufacturing in the UK
- the impact of increasing globalisation on businesses manufacturing in the UK
- the impact of government policy on businesses manufacturing in the UK
- the factors affecting UK location decisions by manufacturing businesses
- the opportunities and threats facing businesses manufacturing in the UK.

You are strongly recommended to:

- compare and contrast different manufacturing businesses and forms of manufacturing in the UK
- consider decisions by businesses to locate manufacturing in the UK, to offshore manufacturing from the UK and to re-shore manufacturing to the UK
- consider how the nature, profitability and international competitiveness of businesses manufacturing in the UK can change over time
- consider how the importance of manufacturing based in the UK – for example, in terms of its scale – is changing over time
- consider how changes in technology, globalisation and government policy might affect the strategy of businesses manufacturing in the UK.

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

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**Section A**

Answer **one** question from this section.

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

**Trends in manufacturing in the UK**

The overseas sales of businesses manufacturing in the UK have generally been declining for the last thirty years compared with their international competitors. This is possibly due to a lack of investment or lack of price competitiveness.

In addition:

- competitors based overseas have presented an increasing challenge to UK-based manufacturers within the UK market
- several companies have moved their manufacturing out of the UK
- the share of UK employment and Gross Domestic Product (national income) generated by businesses manufacturing in this country has declined significantly in the last few decades.

However RDM, a producer of car parts, and Hornby, the toy and model maker, have both relocated production back to this country. They claim that being based in the UK provides greater flexibility and that the cost differences between producing here and abroad are not as significant as they used to be.

**Either**

0	1
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To what extent do you think that the sales in overseas markets of businesses manufacturing in the UK will continue to fall relative to their international competitors? Justify your answer with reference to your own research **and** the item above.

**[40 marks]**

**or**

0	2
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To what extent do you think the UK will be a more attractive location for manufacturing businesses in the future than it is now?

Justify your answer with reference to your own research **and** the item above.

**[40 marks]**

**Turn over for Section B**

**Turn over ►**

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**Section B**

Answer **one** question from this section.

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**Either**

0	3
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Some industries such as soft drinks and oil are dominated by a few large businesses.

To what extent do you think it is likely that a new entrant into industries dominated by a few large businesses would be able to survive? Justify your answer with reference to industries and/or businesses that you know.

**[40 marks]**

**or**

0	4
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Many businesses, such as Tesco plc, the supermarket, and Barclays plc, the bank, claim that they make decisions that take account of different stakeholders' views.

To what extent do you think that the managers of a business should focus on their shareholders' needs and ignore their other stakeholders when making strategic decisions? Justify your answer with reference to Tesco, Barclays and/or any other businesses that you know.

**[40 marks]**

**or**

0	5
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Some analysts claim that the takeover of Autonomy, a small UK entrepreneurial software business, by Hewlett Packard, a major US computer business, was unsuccessful due to differences in organisational culture.

To what extent are cultural clashes likely to be the biggest problem when one business takes over or merges with another business? Justify your answer with reference to the Autonomy – Hewlett Packard deal and/or other takeovers or mergers that you know.

**[40 marks]**

**END OF QUESTIONS**

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