



National
Qualifications
2021 ASSESSMENT RESOURCE

X810/75/11

Business Management

Duration — 2 hours

Total marks — 90

SECTION 1 — 40 marks

Attempt BOTH questions.

SECTION 2 — 50 marks

Attempt ALL questions.

You may use a calculator.

Write your answers clearly in the answer booklet provided. In the answer booklet you must clearly identify the question number you are attempting.

Use **blue** or **black** ink.

Before leaving the examination room you must give your answer booklet to the Invigilator; if you do not, you may lose all the marks for this paper.



* X 8 1 0 7 5 1 1 *

SECTION 1 — 40 marks
Attempt BOTH questions

Case study removed due to copyright issues

The following questions are based on the case study. You will need to make use of knowledge and understanding you have gained while studying the course.

Questions removed due to copyright issues

[Turn over

Wonky Woolies



In 2010 Borders-born Alison Pottie launched her knitwear company, Wonky Woolies, from her flat in Glasgow. Her custom bobble hats were such a success that within just six months she had employed an assistant and moved into business premises.

In 2018 the business moved from Glasgow to Kelso to support expansion in line with its sales revenue objectives. The firm also widened its product range to include knitted scarves and headbands following an investment of £50,000 in new machinery. Alison said: ‘We want to remain small batch producers and with the machinery in place now, we can do this whilst simultaneously increasing our sales.’

The business also creates one-off orders, for example customised wedding hats. This includes the customer choosing the colours, the type of fibre and finalising the design template. The business works closely with the customer to ensure the end result is exactly what they wished for.



Exhibit 1 — Wonky Woolies’ website extract

****FREE POST on orders OVER £40 - UK ONLY****

WONKY WOOLIES Cart 0 items for £0.00

BOBBLE HATS & BEANIE HATS KIDS HATS SCARVES & HEADBANDS GIFT IDEAS CUSTOM DESIGN HATS BLOG ENQUIRIES

BOBBLE HATS & BEANIE HATS [RETURN TO PREVIOUS PAGE](#)

HOME / BOBBLE HATS & BEANIE HATS

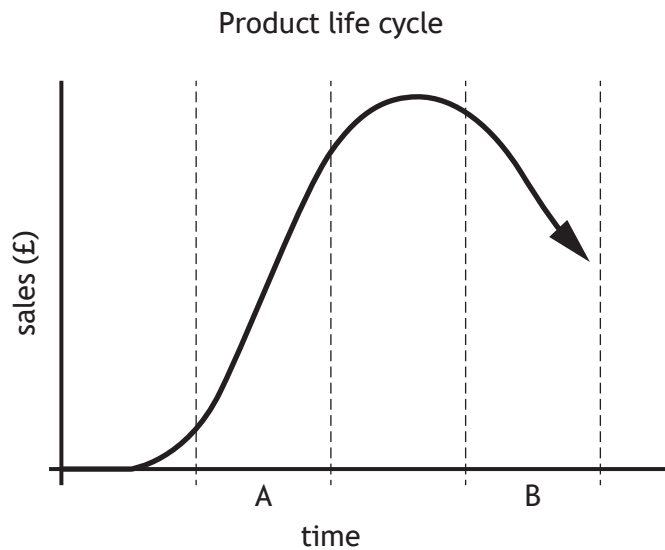
ARGYLE ADVENTURES	ARGYLE EXPLORER	ARGYLE FORESTER	ARGYLE HEATHER
ADULT, BOBBLE HATS	ADULT, BOBBLE HATS	ADULT, BOBBLE HATS	ADULT, BOBBLE HATS
£32.00	£42.00	£42.00	£32.00
ADD TO CART	ADD TO CART	ADD TO CART	ADD TO CART

The following questions are based on the case study. You will need to make use of knowledge and understanding you have gained while studying the course.

2. (a) (i) Name the method of production used by Wonky Woolies to create a one-off custom order. 1
- (ii) Distinguish between the 2 methods of production used by Wonky Woolies. 2
- (b) From the case study, give an example for each of the following factors of production.
- Capital
 - Enterprise
 - Land
- 3
- (c) Describe the methods that Wonky Woolies could use to make sure it provides a quality product. 5
- (d) Describe the factors that Wonky Woolies would have to consider when choosing a supplier. 3
- (e) Describe the stages of the recruitment process which Alison may have used to hire her assistant. 3
- (f) **Exhibit 1** shows a screenshot of Wonky Woolies' website extract. Describe the benefits of e-commerce. 3

[Turn over

SECTION 2 — 50 marks
 Attempt ALL questions



- | | | |
|----|---|---|
| 3. | (a) Describe the product life cycle stages labelled A and B in the diagram above. | 2 |
| | (b) Justify the use of market segmentation. | 3 |
| | (c) Describe the methods of sales promotion. | 3 |
| | (d) Outline the advantages of packaging. | 2 |
| 4. | (a) Draw and label the inventory control diagram. | 4 |
| | (b) Describe the steps an organisation could take to be ethical in production. | 3 |
| | (c) Outline how the following technologies can be used in the operations department. | |
| | <ul style="list-style-type: none"> • Word processing • Computer Aided Manufacturing (CAM) • E-mail | 3 |

	MARKS
5. (a) Outline the purposes of producing an income statement.	3
(b) Describe ways in which a business can deal with a cash budget deficit.	4
(c) Describe the advantages of using spreadsheet software.	3
6. (a) Explain the impact of industrial action.	4
(b) Outline ways an organisation can improve employee motivation.	4
(c) State 2 features of the Equality Act 2010.	2
7. (a) Discuss the advantages and disadvantages of forming a partnership.	4
(b) Justify the importance of providing good customer service.	4
(c) (i) Identify an external factor that could affect an organisation.	1
(ii) Explain the impact on an organisation of the factor identified in (c)(i).	1

[END OF QUESTION PAPER]

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Section 1 Question 1 — Case study on Orbit. Information and logo are adapted from Orbit website.

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Section 1 Question 2 — Case study on Wonky Woolies. Information and images are adapted from Wonky Woolies website.

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