



**Student Name**

**Subject: Business**

**Syllabus Code: 0264**

**Form Two**

**Vacation Work**

**Year: 2025**

**Instructions to Candidates**

- Use a black or dark blue pen.
- Answer All questions from Section A and Section B

**Information**

- The total mark for this paper is 60
- Any rough working should be done on this question paper.

**SECTION A**

1. Rachel's business produces and sells chocolate bars. Quality is important. Rachel is a sole trader who received government support when she started up her business. The business operates in a competitive market. Rachel is considering ways to increase sales of her best-selling product. She is also planning to introduce a new chocolate bar. Rachel knows deciding which pricing method to use for a new product is important.

(a) Define 'sole trader'.

.....  
 .....  
 ..... [2]

(b) Identify two ways a government can support business start-ups.

Way 1: .....  
 .....  
 Way 2: ..... [2]

(c) Outline two ways Rachel could increase sales of her best-selling product.

Way 1: .....  
 .....  
 .....  
 .....  
 Way 2: .....  
 .....  
 ..... [4]

2. SEP operates in the tertiary sector. As a social enterprise, SEP has many objectives. It collects old books from libraries and schools and sells them to customers at a low price. SEP provides training for its 10 part-time employees. SEP's manager wants to know how the introduction of a legal minimum wage might affect a business.

(a) Identify two services provided by businesses in the tertiary sector.

Service 1: .....

.....

Service 2: .....

..... [2]

(b) Identify two objectives a social enterprise might have.

Objective 1: .....

.....

Objective 2: .....

..... [2]

Amir and Carla are business partners. They own a luxury hotel which operates in a niche market. The business has a short hierarchical structure. Amir and Carla use Herzberg's theory of motivation to keep their 5 employees well motivated. Amir and Carla are considering opening another hotel in a different city. They will need to identify a suitable source of finance if they decide to expand. Secondary market research can be used to help a business decide whether it should expand.

(c) Identify two motivators from Herzberg's theory of motivation.

Motivator 1: .....

.....

Motivator 2: .....

..... [2]

(d) Identify two features of a short hierarchical structure.

Feature 1: .....

.....

Feature 2: .....

..... [2]

(e) Explain two ways a business can increase added value. Which is likely to be the best way for a business to use? Justify your answer.

[illegible]

[6]

3 HLC is a private limited company. It manufactures chocolate in its factory. High quality is important. One of HLC's objectives is to expand and the directors are considering using horizontal integration. HLC's operations director has been analysing production data to calculate labour productivity. An extract is shown in Table 3.1.

**Table 3.1**  
**Extract from HLC's production data for the current year**

<b>number of production employees</b>	80
<b>total output per week (units)</b>	400 000
<b>maximum possible output per week (units)</b>	440 000

(a) Calculate labour productivity. Show your working.

labour productivity = ..... [2]

(b) Outline two reasons why it is important for HLC to have business objectives.

reason 1 .....

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reason 2 .....

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.....[4]

c) Explain two reasons why high quality might be important for HLC.

reason 1 .....

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explanation .....

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reason 2 .....

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explanation .....

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.....[6]

RSL manufactures paint using flow production. Last year it produced 10 million litres of paint. RSL has 6 managers and 80 employees working in its factory. The managers use different leadership styles. RSL uses email and telephone calls as its methods of internal communication. The Operations Manager wants to understand why some manufacturing businesses are relocating their operations to other countries.

(d) Identify two reasons why people work.

Reason 1: .....

.....

Reason 2: .....

..... [2]

(e) Explain two leadership styles RSL's managers might use.

Leadership style 1: .....

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Explanation: .....

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Leadership style 2: .....

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Explanation: .....

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..... [4]

**SECTION B**

4 (a) Explain two advantages and two disadvantages of being a private limited company.

advantage 1 .....

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advantage 2 .....

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disadvantage 1 .....

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disadvantage 2 .....

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[8]



(b) Consider the advantages and disadvantages of the following two methods a company could use to motivate its employees. Which method should it use? Justify your answer.

employee of the month .....

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job enrichment .....

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recommendation .....

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.....[12]