



22115013



**BUSINESS AND MANAGEMENT
STANDARD LEVEL
PAPER 1**

Thursday 19 May 2011 (afternoon)

1 hour 15 minutes

INSTRUCTIONS TO CANDIDATES

- Do not open this examination paper until instructed to do so.
- Read the case study carefully.
- Section A: answer two questions.
- Section B: answer the compulsory question.

SECTION A

Answer **two** questions from this section.

1. (a) (i) Identify **two** external stakeholders of *Reach Out*. [2 marks]
- (ii) Outline a possible interest of **one** of *Reach Out*'s external stakeholders identified in part (i). [2 marks]
- (b) Construct a fully labelled organizational chart of *Reach Out* after the appointment of Andrew Grandin. [4 marks]
- (c) Analyse the advantages **and** disadvantages for *Reach Out* of accepting the sponsorship offer from *N-Pharma* (**Option 3**). [7 marks]
2. (a) Neil Johnson has prepared a business plan for *Reach Out* (line 31). Identify **four** elements of a business plan. [4 marks]
- (b) With reference to *Reach Out*, distinguish between a vision statement and a mission statement (lines 44–47). [4 marks]
- (c) Analyse the importance of information and communication technology (ICT) in the creation **and** operations of *Reach Out*. [7 marks]
3. (a) Define the term *corporate social responsibility* (line 138). [2 marks]
- (b) Identify **two** possible indirect costs of *Reach Out*. [2 marks]
- (c) Using information from Appendix 1,
- (i) calculate the total cash receipts **and** the closing balance at the end of September 2010 if all figures follow the same pattern as in the previous months. [2 marks]
- (ii) calculate the total cash receipts **and** the closing balance at the end of September 2010 if Neil Johnson's proposal to ask families to pay higher fees (lines 121–124) is implemented that month. [2 marks]
- (d) Examine the success of **two** elements of the marketing mix used by *Reach Out*. [7 marks]

SECTION B

Answer *the compulsory question* from this section.

4. (a) Identify **four** elements of the process of setting up a business. [4 marks]
- (b) Explain the purpose of *Reach Out's* final accounts (line 32). [4 marks]
- (c) Explain **two** reasons why Neil Johnson wishes to brand the products offered by *Reach Out* (**Option 2**). [4 marks]
- (d) Laura Chan is unsure about the future growth of *Reach Out* (lines 156–158). Recommend an appropriate scale of operation for *Reach Out*, justifying your answer. [8 marks]

Additional information

There is no additional information in this paper for Sections A and B.
