



22125013



**BUSINESS AND MANAGEMENT  
STANDARD LEVEL  
PAPER 1**

Friday 18 May 2012 (afternoon)

1 hour 15 minutes

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**INSTRUCTIONS TO CANDIDATES**

- Do not open this examination paper until instructed to do so.
- A clean copy of the ***Business and Management*** case study is required for this examination paper.
- Read the case study carefully.
- Section A: answer two questions.
- Section B: answer the compulsory question.
- A calculator is required for this examination paper.
- A clean copy of the ***Business and Management*** formulae sheet is required for this examination paper.
- The maximum mark for this examination paper is [50 marks].

## SECTION A

Answer **two** questions from this section.

1. (a) General Ron Meiri was autocratic (*lines 8–9*). Identify **four** key features of an autocratic leadership style. *[4 marks]*
- (b) “The organizational structure of the *UWP* Mission was tall” (*lines 9–10*). Explain **one** advantage and **one** disadvantage of this type of structure. *[4 marks]*
- (c) Analyse the appropriateness of a bank loan as a source of finance for Kos Palouk’s new lorry (*lines 129–130*). *[7 marks]*
  
2. (a) Loyka’s economy is mainly in the primary sector (*line 1*). Briefly describe the nature of business activity in this sector. *[2 marks]*
- (b) Outline **one** reason why Kos Palouk does not need to do any additional marketing at the *UWP* Mission. *[2 marks]*
- (c) Using information from Appendix 5a,
  - (i) calculate the net profit margin **and** the gross profit margin for Kos Palouk from his current operation (**Option 1**). *[2 marks]*
  - (ii) calculate the net profit margin **and** the gross profit margin for Kos Palouk from his forecast operation (**Option 2**). *[2 marks]*
- (d) Interpret your results from part (c) and the data from Appendix 5a **and** 5b. *[7 marks]*
  
3. (a) Kos Palouk prepared a business plan (*line 142*). Identify **four** elements of a business plan. *[4 marks]*
- (b) With reference to Kos Palouk’s business, distinguish between just-in-time and just-in-case stock control (*lines 136–138*). *[4 marks]*
- (c) Analyse the value of the social and environmental audit (*line 96*) for both General Diane Pierce **and** the local community. *[7 marks]*

**SECTION B**

Answer *the compulsory* question from this section.

4. (a) Define the following terms:
- (i) *span of control (lines 10–11)* [2 marks]
  - (ii) *primary research (line 97).* [2 marks]
- (b) Prepare a SWOT analysis of Kos Palouk’s current produce distribution business (with no changes) showing **only** the strengths **and** weaknesses. [4 marks]
- (c) Explain **two** social factors that could influence General Diane Pierce’s decision regarding the construction project. [4 marks]
- (d) With reference to the *UWP* Mission to Loyka when General Diane Pierce arrived, discuss the relationship between aims, strategic objectives and operational objectives. [8 marks]

**Additional information**

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

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