



22135013



**BUSINESS AND MANAGEMENT  
STANDARD LEVEL  
PAPER 1**

Monday 20 May 2013 (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) Define the following terms:
- (i) *regional trading bloc* (line 30) [2 marks]
  - (ii) *corporate social responsibility* (lines 88–89). [2 marks]
- (b) Explain **two** reasons why innovation is important for *RDB*. [4 marks]
- (c) Anna Holstein believes that “the marketing department should start carrying out market research” (lines 114–115). Analyse the roles that primary and secondary research could play for *RDB*. [7 marks]
2. (a) Using a SWOT analysis framework, identify **two** weaknesses and **two** threats to *RDB*. [4 marks]
- (b) Using data from the additional information on page 3, calculate *RDB*’s:
- (i) return on capital employed (ROCE) in 1965 **and** 1975. [2 marks]
  - (ii) stock turnover in 1965 **and** 1975. [2 marks]
- (c) Interpret your results from part (b). [7 marks]
3. (a) Define the following terms:
- (i) *retrenchment* (line 133) [2 marks]
  - (ii) *commission* (line 153). [2 marks]
- (b) With reference to *RDB*, distinguish between flow production and job production (lines 63–66). [4 marks]
- (c) Analyse the advantages and disadvantages for *RDB* of forming “strategic alliances with ball bearing companies in Brazil, China and India” (line 155). [7 marks]

**SECTION B**

Answer *the compulsory question from this section.*

4. (a) Identify **two** causes and **two** consequences of the possible relocation of *RDB* factories. [4 marks]
- (b) Explain why shortening the working capital cycle would be “an important benefit for *RDB*” (*line 83*). [4 marks]
- (c) With reference to *RDB*, contrast **one** advantage and **one** disadvantage of operating in the business-to-business (B2B) market. [4 marks]
- (d) Discuss whether Anna Holstein’s “*RDB 2020*” plan is ethical. [8 marks]

**Additional information for question 2(b) and 2(c)**

Selected information from *RDB*’s financial accounts:

	<b>(€000 000)</b>	
	<b>1965</b>	<b>1975</b>
Average stock	29	54
Gross profit	35	56
Net profit before interest and tax	22	34
Total capital employed	121	203
Sales revenue	113	194

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