



22145013



**BUSINESS AND MANAGEMENT
STANDARD LEVEL
PAPER 1**

Wednesday 21 May 2014 (afternoon)

1 hour 15 minutes

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) *primary sector (line 2)* [2 marks]
 - (ii) *dividends (line 23)*. [2 marks]
- (b) Explain **one** advantage and **one** disadvantage for Martin Kimathi of receiving “a salary based on performance-related pay” (line 45). [4 marks]
- (c) Analyse the advantages and disadvantages for *The Imperial* of the strategic alliance with *KenSafar* (Option 3). [7 marks]
2. (a) Define the following terms:
- (i) *appraisal (line 102)* [2 marks]
 - (ii) *dismissal (line 113)*. [2 marks]
- (b) Martin Kimathi prepares two types of final accounts for *Global Properties (GP)*: profit and loss accounts and balance sheets. Explain the importance of those **two** types of final accounts for *GP* (lines 69–70). [4 marks]
- (c) Analyse the impact that **one** opportunity and **one** threat may have on *The Imperial*. [7 marks]
3. (a) Describe how a hotel such as *The Imperial* combines human resources, physical resources and financial resources for its business activity. [4 marks]
- (b) Explain **two** benefits for Martin Kimathi of conducting a marketing audit (line 59). [4 marks]
- (c) Using examples of migrant workers (such as Jomo Kimathi, Martin Kimathi and Craig Chapman), analyse the significance of changes in domestic and international labour mobility. [7 marks]

SECTION B

Answer **the compulsory** question from this section.

4. (a) (i) Outline **one** possible area of conflict between **two** internal stakeholders of *The Imperial*. [2 marks]
- (ii) Identify **two** fixed costs for *The Imperial* (line 146). [2 marks]
- (b) Explain the value of the Ansoff matrix as a decision-making tool for Martin Kimathi to choose between Options 1, 2 and 3. [4 marks]
- (c) Explain how being empowered by Martin Kimathi can positively affect the job satisfaction, motivation and productivity of the employees at *The Imperial* (line 90). [4 marks]
- (d) Evaluate the effectiveness of Susan Chapman’s and Martin Kimathi’s leadership styles, and their implications for *The Imperial*. [8 marks]

Additional information

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