



Surname _____

Forename(s) _____

Centre Number _____

Candidate Number _____

Candidate Signature _____

I declare this is my own work.

GCSE

BUSINESS

**Paper 1 Influences of operations and
HRM on business activity**

8132/1

Tuesday 14 May 2024 Afternoon

Time allowed: 1 hour 45 minutes

[Turn over]



On the front of this book, write your surname and forename(s), your centre number, your candidate number and add your signature.

MATERIALS

For this paper you must have:

- **a calculator.**

INSTRUCTIONS

- **Use black ink or black ball-point pen.**
- **Answer ALL questions.**
- **You must answer the questions in the spaces provided. Do not write on blank pages.**



- **If you need extra space for your answer(s), use the lined pages at the end of this book. Write the question number against your answer(s).**
- **Do all rough work in this answer book. Cross through any work you do not want to be marked.**

INFORMATION

- **The marks for each question are shown in brackets.**
- **The maximum mark for this paper is 90.**

DO NOT TURN OVER UNTIL TOLD TO DO SO



SECTION A

Answer ALL questions in the spaces provided.

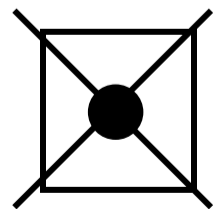
For questions with four responses, only ONE answer per question is allowed.

For each question completely fill in the circle alongside the appropriate answer.

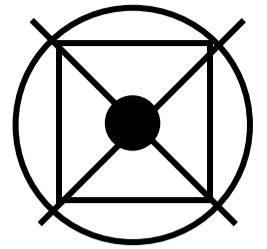
CORRECT METHOD 

WRONG METHODS    

If you want to change your answer you must cross out your original answer as shown.



If you wish to return to an answer previously crossed out, ring the answer you now wish to select as shown.



0 **1** . **1**

Which of the following is a benefit to an entrepreneur of operating as a sole trader? [1 mark]

- A Can sell shares**
- B Easy to set up**
- C Limited liability**
- D Many owners**

[Turn over]



01.2

Which of the following is a method of internal recruitment? [1 mark]

A Advertising at a job centre

B Advertising in a newspaper

C Advertising on a noticeboard in the staffroom

D Advertising with an employment agency



01.3

**Which of the following describes when induction training should take place?
[1 mark]**

- A When an employee first joins a business**
- B When an employee leaves a job**
- C When an employee needs to learn new skills**
- D When an employee starts using new technology**

[Turn over]



01.4

Which of the following is correct for a flat organisational structure? [1 mark]

- A Many levels of hierarchy**
- B Many opportunities for promotion**
- C Narrow span of control**
- D Short chain of command**



01.5

**Which of the following is the most likely effect of a decrease in interest rates?
[1 mark]**

- A Borrowing will be cheaper.**
- B Business investment will fall.**
- C Consumer spending will reduce.**
- D More people will save.**

[Turn over]



01.6

Which of the following is an example of a fixed cost? [1 mark]

- A Interest payments**
- B Packaging for goods**
- C Production wages**
- D Raw materials**



01.7

Explain ONE method of growth used by a business when expanding organically or externally. [2 marks]

[Turn over]



01.8

**Explain why a business uses delayering.
[2 marks]**

01.9

Explain ONE way a person specification can be used as part of the recruitment process. [2 marks]

[Turn over]

0 1 . 1 0

Businesses aim to meet the needs and wants of customers. Explain the meaning of the term 'need' using an example. [2 marks]

01.11

**Explain ONE disadvantage to a business of expanding through external growth.
[2 marks]**

[Turn over]

01.12

Land is one of the four factors of production.

Identify and explain TWO factors of production other than land. [4 marks]

Factor 1 _____

Explanation _____

Factor 2 _____

Explanation _____



BLANK PAGE

[Turn over]



SECTION B

Answer ALL questions in the spaces provided.

0	2
----------	----------

ITEM A: Luscious Locks by E

Elaine owns her own hair salon called Luscious Locks by E (LLE). The salon has one senior hairdresser and five junior hairdressers.

The senior and most qualified hairdresser is leaving the business at the end of the month. They are leaving because Elaine did not listen to ideas from employees on new hairstyles to offer.



John will be promoted to the senior hairdresser role. He is the most experienced of the junior hairdressers and is frequently fully booked. Customers are charged a premium price for bookings with the senior hairdresser and expect a high level of skill.

John has asked Elaine if the salon would pay for him to go on a college course. He would need to attend the course one afternoon every week for 2 years. The course will be led by a specialist trainer in the latest hair techniques. An alternative would be for John to receive on-the-job training from the current senior hairdresser until they leave the business.

[Turn over]



LLE's sales and profits have recently fallen due to the opening of a new salon that offers the latest up-to-date celebrity styles.

0 2 . 1

Explain ONE benefit to a business of employing workers on a part-time contract. [2 marks]

0 2 . 2

Elaine makes all of the decisions in the business. She rarely consults with anyone.

Analyse ONE drawback for LLE of Elaine's management style. [6 marks]

[Turn over]



0 **2** . **3**

The college course would allow John to gain an advanced qualification in the latest hairstyling techniques.

Recommend whether Elaine should allow John to attend the college course. Give reasons for your answer. [9 marks]

[Turn over]





BLANK PAGE

[Turn over]



ITEM B: Luscious Locks by E

Elaine has been looking into ways to increase LLE's revenue. Elaine has identified a growing trend for organic hair treatments. Demand has risen after a popular celebrity promoted the benefits of organic hair treatments on her television show.

Elaine has found a new supplier that makes homemade organic hair treatments. The treatments are vegetable based and have a shelf life of a month. After this date they will need to be thrown away.

When making an appointment, customers have to give the salon 24 hours' notice if they want an organic hair treatment. Twenty customers booked the treatments last week. A



customer has complained that she could not get an organic hair treatment whilst at the salon as she had not booked this in advance and no stock was being held.

The supplier is not local and the delivery costs are high. The supplier is encouraging Elaine to make a bulk purchase by offering a large discount on orders over 100.

[Turn over]



0 2 . 4

Explain ONE benefit of growth to a business. [2 marks]

0 2 . 5

Elaine ordered 20 organic hair treatments for £300 in total.

Calculate the unit cost of each treatment. Show your workings. [2 marks]

£ _____

[Turn over]

0 2 . 6

The supplier has offered a 35% discount.

Calculate the total cost of 120 organic hair treatments with this discount. Use your answer to Question 2.5, on page 31, in your calculation.

Show your workings. [3 marks]

£ _____



0 2 . 7

Elaine orders the treatments to arrive just in time for each customer's appointment.

Recommend whether Elaine should change to just-in-case stock control. Give reasons for your recommendation. [9 marks]

[Turn over]



33



BLANK PAGE

[Turn over]



SECTION C

Answer ALL questions in the spaces provided.

0	3
----------	----------

ITEM C: Bootmills Ltd

Bootmills Ltd is a UK producer of high-quality leather boots. Many of the boots have designs and patterns which keep up with fashion trends.

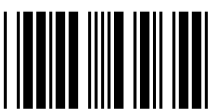
The factory in Birmingham employs a highly skilled labour force. Some machinery is used but the boots are largely handmade. All employees are responsible for checking their work. Boots are sent back to the previous employees if production is not at the required quality standard.



The factory holds a small stock of raw materials. New deliveries are needed every 24 hours. The boots are made from the highest quality leather. A wide range of supplies such as suede and rubber are also needed. Bootmills Ltd also needs different thicknesses of raw materials to make different parts of the boots.

Bootmills Ltd offers a 3-month refund policy for any boots which are faulty. Faults include where stitching comes undone or where the leather cracks. Very few boots are returned to the company because of faults.

[Turn over]



03.1

State ONE benefit to a business of providing a high level of customer service. [1 mark]

03.2

Explain ONE benefit to Bootmills Ltd of using total quality management (TQM).

You should use information in ITEM C, on pages 38–39, in your answer. [4 marks]





ITEM D: Bootmills Ltd

Bootmills Ltd sells boots to retailers around the world. 2023 was a very successful year. Profits increased by 43% to £64.3 million. Sales of boots abroad account for 60% of total sales. Half of these are in Europe. Raw materials are sourced in the UK. The variable cost of each pair of boots is £50.

The business has 1300 employees. The average salary is £38 000 a year which is higher than competitors' salaries. Employee turnover is low. In 2023, a profit-sharing bonus of 5% was awarded to all employees who have worked for the business for over 12 months.



TABLE 1

Exchange rate of the pound to the euro

	November	December	January	February	March
£1 =	1.19 €	1.20 €	1.18 €	1.17 €	1.17 €

[Turn over]

BLANK PAGE



03.4

Explain how ONE financial method of motivation is being used at Bootmills Ltd to motivate employees. You should use the information in ITEM D, on pages 44–45, in your answer. [4 marks]

[Turn over]



0 3 . 5

Calculate the percentage (%) change in the value of the pound against the value of the euro from December to March.

Use the information in TABLE 1, on page 45, in your calculation.

Show your workings. [4 marks]



03.6

In Europe, Bootmills Ltd sells boots to retailers for an average of £95. The business plans to maintain this selling price.

Analyse ONE impact of the falling value of the pound on the profits of Bootmills Ltd. [6 marks]

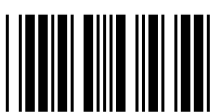
ITEM E: Bootmills Ltd

Bootmills Ltd is the market leader in the UK. To improve profits, Bootmills Ltd must increase sales to China and the USA. However, international markets are highly competitive. Boots are currently sold for an average of £95 to retailers. The variable cost of each pair of boots is £50.

In China, retailers prefer ‘face-to-face’ meetings with the manufacturer.

Chinese retailers are prepared to pay a premium price for British brands. The size of the Chinese boot market is \$79 billion for sales of all brands.

Retailers in the USA have indicated that they are more likely to buy the product if the price can be reduced to £70. The size of the USA boot market is \$99 billion for sales of all brands.



Bootmills Ltd's directors are considering two options.

INTRODUCING FLOW PRODUCTION.

Boots can be made quickly using a fully automated process. The skilled workforce will be offered jobs elsewhere in the business. There will be an estimated 300 redundancies. Employees have indicated they will strike if this many jobs are lost.

The savings on salaries over 2 years will cover the cost of the new machinery and redundancies. After this, the cost saving can be passed on to customers. The variable costs of production will fall to £20 per pair of boots.

[Turn over]



CHANGING THE ROLE OF THE WORKFORCE.

Bootmills Ltd currently has 50 employees who deal with sales over the telephone and email. Thirty of these employees could change to being based abroad in countries such as China and the USA. These employees will meet with the local retailers to:

- **show new designs**
- **take orders**
- **get feedback on the needs and wants of customers in overseas markets.**

These employees will be offered a £10 000 pay rise. The directors are confident many of the existing sales team will be interested in working abroad. This should reduce redundancies.



Recruiting and training for the new role should take 8 months.

[Turn over]



03.7

Bootmills Ltd wishes to make its boots more competitive abroad. The directors are considering TWO options.

- 1. Introducing flow production.**
- 2. Changing the role of the workforce.**

Analyse the effect of EACH of these TWO options on Bootmills Ltd.

**Evaluate which of these TWO options will have the bigger impact on Bootmills Ltd competing internationally.
[12 marks]**

Additional page, if required.

Write the question numbers in the left-hand margin.

BLANK PAGE

For Examiner's Use	
Section	Mark
A	
B	
C	
TOTAL	

Copyright information

For confidentiality purposes, all acknowledgements of third-party copyright material are published in a separate booklet. This booklet is published after each live examination series and is available for free download from www.aqa.org.uk.

Permission to reproduce all copyright material has been applied for. In some cases, efforts to contact copyright-holders may have been unsuccessful and AQA will be happy to rectify any omissions of acknowledgements. If you have any queries please contact the Copyright Team.

Copyright © 2024 AQA and its licensors. All rights reserved.

WP/M/NC/Jun24/8132/1/G4004/V4

