



INTRODUCTION TO BUSINESS

18th MARCH 2013

Examination Paper

Answer ALL questions.

Clearly cross out surplus answers.

Time: 2 hours

Any reference material brought into the examination room must be handed to the invigilator before the start of the examination.

CANDIDATES MUST ANSWER ALL QUESTIONS

QUESTION 1	Marks
a) i) What is meant by the term “a business ”?	2
ii) Explain what is meant by the term “ stakeholder ”.	1
iii) List THREE (3) examples of stakeholders .	3
b) i) How does a business generate a profit ?	1
ii) List THREE (3) inputs that a business needs.	3
Total 10 Marks	

QUESTION 2	
a) PESTLE analysis is a way of examining external influences on a business.	
i) ‘ P ’ stands for political influences. List THREE (3) areas of political influence that can affect a business.	3
ii) ‘ E ’ stands for economic influences. List THREE (3) examples of economic influence that can affect a business.	3
b) Why should PESTLE analysis be done on a regular basis?	2
c) Why is competition important to businesses and to customers?	2
Total 10 Marks	

QUESTION 3	
a) What is SWOT analysis ? What is it used for?	3
b) State FOUR (4) simple rules for successful SWOT analysis .	4
c) What is the Marketing Mix ?	3
Total 10 Marks	

QUESTION 4

Marks

- a) For an organisation to be successful it has to change to remain competitive. 2
- i) Why should **change** be introduced gently and not forced on the staff of an organisation? 1
 - ii) Why is an employee's **age** sometimes a problem factor when dealing with organisational change? 1
 - iii) Involvement and full communication can help people to deal with change. Explain how workshops can be useful in this process. 2
- b) What is **management**? 2
- c) List THREE (3) **functions** of management. 3

Total 10 Marks

QUESTION 5

Case Study: Atal Steel Europe – Ethics and Sustainability

Atal Steel is the second largest steel producer in Europe. It manufactures steel and supplies it and related services to major industries such as construction, vehicle production and packaging.

Businesses now have to be aware of how they affect society and the environment, so ethical behaviour is important. Atal Steel tries to act ethically in its production, business processes and behaviour with its customers and the communities in which it operates. The company has core values which define the ethics of the company and it has a commitment to ethical behaviour in its corporate social responsibility policy (CSR).

Atal Steel is also committed to *sustainability*. This is about ensuring that future generations can enjoy the same kind of lifestyle people enjoy today and steel is one of the best materials to use to ensure sustainability because it is truly recyclable. When recycled it becomes new steel and not an inferior product. So making steel can be viewed as an investment in a material which will be used again and again, rather than a one-off, making steel a very 'green' material.

One of the major challenges of sustainability is to reduce carbon dioxide production (CO₂) emissions which contribute to climate change. Atal Steel is using new technology and practices to reduce these emissions.

Atal Steel encourages its customers and markets to work to sustainability principles too. For example, although car exhaust emissions can be reduced by making cars lighter, materials such as aluminium, magnesium and carbon-fibre reinforced plastics have high environmental costs in manufacturing and they are not as recyclable as steel. The savings made from using them are usually outweighed by the CO₂ used in production. Atal Steel has joined forces with other steel-makers to produce the 'Future Steel Vehicle' which showcases the latest advancements in steel technology.

Through saving energy and waste, Atal Steel can work more efficiently and reduce costs. Acting responsibly also benefits its reputation. This enhances the image of Atal Steel as an environmentally-committed and responsible business, giving good PR in a competitive world market.

- a) Is *Atal Steel* operating as a primary, secondary or tertiary organisation? Give a reason for your answer. 2
- b) Give TWO (2) examples of ways in which *Atal Steel* operates in an **ethical way**. 2
- c) *Atal Steel* takes an ethical and sustainable approach to its operations. Give TWO (2) **benefits** that this gives the company. 2
- d) Ethical and sustainable methods can sometimes **disadvantage** a company. Explain how this can happen. 2
- e) Which type of market does *Atal Steel* operate in? Give a reason for your answer. 2

Total 10 Marks

END OF PAPER