

## Candidate A evidence

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1.a) (i)	An objective of NHS Scotland would be to make the best use of funds they receive.
	Another is to make sure that they are providing the best and highest quality product or service that they can.
	A final is to ensure that they are being environmentally friendly in all aspects which could include using renewable energy.
(ii)	A feature of the NHS is that they are controlled by the <sup>government &amp;</sup> <del>board</del> <del>directors</del> whereas a public limited company are controlled by a board of directors.

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~~the NHS~~

A public limited company are owned by 1-50 shareholders who can buy shares off the stock market, whereas the NHS are owned by the government and banks.

b) A benefit of purchasing centrally is that it can be a cost effective way as you could benefit from bulk buying and so therefore this will reduce your spending.

Another benefit is that you are purchasing from specialised and high skilled staff and so therefore you will know that it is of the highest quality and standard. This means you can be confident it is of a good quality.

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c)	<p>A benefit of outsourcing is that it can allow your organisation to focus on its core activities and so this means that core activities should be carried out to a high standard as there is nothing else to focus on.</p>
	<p>A cost of outsourcing is that you lose control <del>of</del><sup>of</sup> what has been outsourced and so this may mean that jobs are not carried out how you would like them. This may also result in less quality and so create a bad image.</p>
	<p>Another benefit is that you can save costs on machinery and</p>

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	<p>staff sitting idle by outsourcing as you can use the service only when you need it. This can reduce the expenses of an organisation on wages or purchasing machinery.</p>	
	<p>A final benefit is that highly skilled and specialised staff should be doing the work and so this means that the business should be receiving work of a very high standard and so perhaps giving customers products of a high standard.</p>	
	<p>A final cost is that outsourcing might be more expensive as because it is highly skilled staff completing the work they might charge more and so the effect of this is that it might increase an organisation's expenses and so this may reduce their profits.</p>	

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d(i)	A tall hierarchy has many layers
	of management within it,
	whereas a flat structure only
	has a few layers.
	Within a tall structure there is
	a wide span of control as there
	are more layers to look after,
	whereas in a flat structure
	there is a narrow span of
	control as there are less layers.
	A tall hierarchy has more
	promotional opportunities for
	staff whereas a flat structure
	has less promotion opportunities.
(ii)	This allows each group to focus
	on their own division which means

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	they will be able to meet the
	needs of their customers wants
	and needs.
	Another benefit is that each
	group will be able to react
	quickly to changing external
	factors in their division.
e)	<sup>advantage</sup> <del>benefit</del> of virtual learning is
	that it can allow employees to
	learn from wherever they are -
	However, a disadvantage of
	VLE is that it can be costly
	to initially set up.
	Another advantage is that it
	can reach a wider range of
	employees as it uses the internet

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and so this may attract higher quality staff. However, a disadvantage of it is that employees might not take advantage of it and not learn what they are supposed to.

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1-f) A factor which would have been considered is ensuring that the staff they are recruiting are very skilled, in order to ensure patients are being treated by the best GP's.

Another factor they would ~~be~~ have considered is how many GP's they require. If a lot were required then they ~~may have~~ <sup>can</sup> encourage more people as "incentives are being offered".

A final factor they would have considered is if training was necessary. "Payments were being offered to experienced GPs to mentor new GPs" suggests that the GPs were trained and there



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	work was monitored to ensure it	
	was of the highest level.	

g)(i)	A ratio they can calculate is	
	the current ratio. The formula	
	for the current ratio is:	
	<u>current assets</u>	
	current liabilities.	
	This ratio tells an organisation	
	how many times their current	
	assets will cover their current	
	liabilities. The ideal ratio is 2:1.	
(ii)	It can be used by the <del>UK</del> Scottish	
	Government to see what their net	

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	worth is to know if they might require <del>of</del> a grant.
	Suppliers would use it to assess how quickly they should get paid or if the supplier might have to offer trade credit.
	It is used by managers to assess <del>ANNA</del> if they are going in the right direction and if any changes need to be made, eg sell some non-current assets.
	n) A method they may use is ensuring that they reduce waste by introducing quality methods. The effect of this is that it will reduce their raw materials cost

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whilst also demonstrating them being socially responsible.

Another method they may use is recycling materials. By recycling materials it can save the organisation money and it also might attract customers if they appeal to what they are doing.

A third method is "reduce energy use and emissions" and this will demonstrate them being socially responsible as they will be being environmentally friendly.

The effect of this is that it could give them a positive reputation.

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	A final way they can demonstrate
	that they are socially responsible
	by "using energy and water
	efficiently". By doing this it
	can highlight to customers that
	they do not want to waste water
	and energy and so this can give
	them a positive image and also
	save them money by not wasting.

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2.a)	An advantage of capital-intensive
	is that error is minimised as
	machines do not make mistakes
	whereas
	<del>which</del> humans easily can. However,
	a disadvantage is that if a
	machine breakdown this can
	majorly affect production and
	it may have to stop overall.
	Another advantage is that
	machines do not require breaks
	or holidays like humans and
	so this means that production
	can occur 24/7. However,
	a disadvantage is that machines
	can be very expensive and so
	the initial set up costs might
	be very high for the organisation

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A final advantage is that the consistency of products can be maintained as machines do the same over and over and so this would hopefully mean products are of a higher standard and quality.

b) Preparing a cash budget can allow a business to plan ahead, for example if they will need to get a source of finance organised. By being able to plan ahead it will allow help aid decision making and so hopefully the business will be more successful.

Cash budgets can also be used to compare the predicted figures

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	<p>with actual figures and so this can <del>also</del> allow a business to see how accurate their predictions are.</p> <p>Cash budgets can also be used to compare your figures with competitor's figures and so this can help an organisation see how well they are competing. It also allows them to decide if any changes should be made in order to increase sales.</p>

	<p>2.c) An effective inventory management system would consist of ensuring not too much <del>than</del> inventory was held at one time.</p>	
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	<p>An effective inventory management system would also ensure that there was never too little inventory at one point as this may lead to a shortage of inventory.</p>	
	<p>An effective inventory management would have good levels of security and well trained staff to ensure that inventory would not be at risk of being stolen.</p>	
	<p>An effective inventory management system would also use EPOS to ensure inventory automatically got reordered when it reached the reorder level.</p>	



d)	A benefit of quality circles is that staff can have a say in decision making and so this can allow them to feel trusted.	

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	<p>Another benefit is that feedback is given from those directly involved in production and so a more honest opinion can be given as usually managers will not know much about the production.</p>	
	<p>A third benefit is that regular meetings between managers and employees can help reduce errors and improve <sup>the</sup> quality throughout production.</p>	
	<p>A final benefit is that it can motivate staff as <del>they</del> their thoughts are listened to and built upon and so they may feel motivated to work harder which may increase production.</p>	

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3-d)	<p>An advantage of having a varied product portfolio is that it spreads the risk as an organisation are not relying on only one product to do well and so this reduces the risk of failure.</p> <p>Another advantage is that it can increase the brand's awareness <sup>to customers</sup> and so this <del>may</del> increase their market share.</p> <p>Another advantage is that it makes it easier to introduce new products if you already have products released. This may mean that customers know your previous products are of a high quality and so are confident that any</p>

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	<p>new ones will be too. As a result of this it <del>can</del> <sup>may</sup> increase <del>an</del> <sup>an</sup> <del>organisation's</del> profits.</p>
	<p>A final advantage is that it can allow an organisation to introduce a new product when another comes towards the end of its life cycle. <del>When</del> This might mean that the organisation can continue to make sales.</p>
	<p>b) one pricing strategy is low pricing. This is when your prices are set lower than your competitors prices, eg £3.50 for <del>met</del> your product and £4 for competitors, when it is the same product.</p>

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Another pricing strategy is premium pricing. This is setting your prices higher than competitors and this is done in order to show your product is of a high quality.

Another strategy is skimming. This is setting your price high to begin with when the product is new, and then reducing it over time as competitors come into the market. can be used on products such as electronics, eg iPad.

Penetration pricing is when a price is set low to begin with and increases over time. This can be used to enter

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~~competitors out of the market.~~

This can ~~can~~ be used as a 'trial price'

for a new product. As more and more customers buy it the price might then increase.

Destroyer pricing is when the price is deliberately set extremely low and this is used to force competitors out of the market. Once this happens, the price can then increase.

Competitor pricing is setting your prices level with your competitor.

Discrimination prices is when the prices are altered depending on a factor, eg age, gender,

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	disability, religion. Or the prices can be altered depending on the time of day.	
	A final strategy is loss leaders. This is when the price of the product is set <del>an</del> unprofitably low in order to entice customers.	
	c) An advantage of using an app is that it can allow customers to view your <del>an</del> entire range of products all in one place and so this makes it easier for customers. This might mean that customers are more likely to purchase something as it is easier for them to explore all the products.	

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	<p>Another advantage is that an app can be used by a wide range of people all over the world and so the effect of this is that it might increase the organisations market share.</p>
	<p>A final advantage is that an app can be used to promote specific products to different market segments and so this <del>market</del> may increase their sales if customers are enticed by the product promoted to them.</p>
4.a)	<p>Internal recruitment is <del>min</del> recruiting and selecting a member of staff for a job who already currently works within the</p>



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	<p>organisation. Whereas, external recruitment is recruiting and selecting someone for a job who does not currently work for the organisation and is out with the business-</p>
	<p>Recruiting internally can be quick and easy as you already know the employee and what they are good at, whereas, external recruitment is more time consuming as you need to go through the whole recruitment and selection process and find the right person who will work well with everyone.</p>
	<p>Internal recruitment will not</p>

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	require much advertising as it
	will consist of advertising it on
	the notice board, whereas, external
	recruitment requires much more
	advertising in order to find the
	right person.
	if a business recruit a member of
	staff internally, this will mean
	that now another job will need to
	be filled. <del>by</del> whereas, by recruiting
	externally only one job will be
	filled which will not require
	going through selection another time.

4.a)	recruiting externally will mean that		
	staff will require lots of training		
	and to be shown around the business		
	which can be time consuming, whereas		
	<sup>by</sup> recruiting internally the member of staff		
	will already know the organisation		
	and so only some training will be		
	required which is less time consuming.		

b)	Safety and security needs involves		
	good working conditions, personal		
	safety, health and so in order		
	to fulfil this, an organisation		

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must ensure that their physiological needs are met first, and then these safety needs.

Esteem needs involves appraisal and empowerment and so in order to fulfil this the organisation must ensure the employees physiological needs, safety needs and love and belonging needs are met first. Each level of the hierarchy must be met first before the next level allows an employee to feel motivated.

Each employee starts at the bottom with the most basic need, then working up to the top.

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c)	<p>ACAS stands for Arbitration, Conciliation, Authority Services and so their <del>main</del><sup>role</sup> is to ensure that employees <del>can</del> have good working conditions, are receiving a fair pay etc and if they are not ACAS will help fix this by offering support.</p>
	<p>Trade unions are a group of people who help employees if they are being treated unfairly or differently.</p>
d)	<p>An advantage of a bank loan is that it can be repaid in installments which can help an organisation improve its cash flow. However, a</p>

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disadvantage is that interest has to be paid on top of the loan amount which could mean the organisation are paying back a lot more than what they borrowed.

An advantage of a grant is that it does not need to be repaid. However, a disadvantage is that they can be very difficult to apply for and actually receive and so it is not always guaranteed that your organisation will get one.

An advantage of leasing is that the leasing company is responsible for renewing or fixing any products. However, a

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5. a)	

disadvantage is that you never actually own the product and it will have to be given back after an agreed time, eg 2 years.

One role of a manager is planning. This means that they plan the workforce to ensure staff have received efficient training or identify any gaps in staffing. The effect of this is that it can ensure there are no gaps or that decisions have been made in advance.

Another role is to delegate. This means the manager is ~~not~~ responsible for giving employees tasks to carry out. By doing this it can allow staff to feel ~~in~~ trusted

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	and empowered.
	Another role is to motivate staff.
	This means ensuring staff are
	feeling happy and excited to work
	and encouraging them. The effect
	of this is that staff are more
	likely to work harder and this can
	increase the organisation's
	productivity.
	A fourth role is organising. This
	means ensuring all staff know
	what they are doing and making
	sure each department knows their
	role. The effect of this is that it
	ensures <del>staff know</del> what the
	work needing done is done
	correctly and so this would hopefully



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minimise errors-

A final role is commanding- This involves getting the best out of staff and encouraging and pushing them to work harder. The effect of this is that staff are likely to work to the best of their ability and so this can improve the quality of products produced-

b) A matrix structure involves creating temporary project teams who each carry out specific tasks-

This means that within each project team the work should be carried out to a high standard as

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	staff will be specialised.
	A matrix structure may make an organisation more productive as by working together staff may feel more motivated and therefore work harder and more effectively.
	c) strategic decisions are decisions which are made by the top managers or supervisors. Whereas operational decisions are decisions which are made by employees and staff.
	strategic decisions are long term decisions whereas operational are decisions which are made day to day.

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Strategic decisions decide the direction of the organisation, eg growth, whereas operational decisions are decisions such as dealing with customer complaints.

d) The success of a decision can be measured based on the market share of the business. If an organisation's market share increases then this could be as a result of a successful decision.

Another way it can be measured is by the customer service they receive. If an organisation is receiving lots of customer complaints this implies that a decision has not been successful.

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	<p>It can also be measured by how much profit the business makes.</p>
	<p>If an organisation's profits have increased from the previous year this suggests their decisions have been successful.</p>
	<p>The success can also be measured by how well their product is selling- If a product isn't selling well, it implies a decision has not been successful, eg the price is too high.</p>