



22075013

**BUSINESS AND MANAGEMENT
STANDARD LEVEL
PAPER 1**

Thursday 17 May 2007 (afternoon)

1 hour 30 minutes

INSTRUCTIONS TO CANDIDATES

- Do not turn over this examination paper until instructed to do so.
- Read the case study carefully and then answer all the questions.

1. (a) Draw an organizational chart for *Gladrags Ltd*, clearly identifying each person's functional responsibility. [6 marks]
- (b) With reference to the organizational chart define the terms
- (i) *chain of command* [2 marks]
- (ii) *span of control*. [2 marks]
- (c) Anjay wants to change the organization to a flatter structure. Discuss the reason for the change using relevant motivation theory to argue the case. [10 marks]
2. (a) Analyse the differences between marketing clothes under the family brand *Gladrags* and marketing the individual brand "Sassy". [8 marks]
- (b) Using the Ansoff Matrix, propose a future marketing strategy for *Gladrags Ltd*. [8 marks]
3. With the help of four ratios, discuss how the financial situation of *Gladrags Ltd* has changed between 2004 and 2006. [12 marks]
4. After the board meeting (*line 149*) the following decisions were taken:
- to target the European market
 - to produce the *Gladrags* brand in Vietnam and produce the "Sassy" brand in Britain.
- Justify both decisions to the shareholders. Use the PEST analysis provided in the case study to support your answer. [12 marks]
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