



**BUSINESS AND MANAGEMENT
STANDARD LEVEL
PAPER 1**

Thursday 21 May 2009 (afternoon)

1 hour 15 minutes

INSTRUCTIONS TO CANDIDATES

- Do not open this examination paper until instructed to do so.
- Read the case study carefully.
- Section A: answer two questions.
- Section B: answer the compulsory question.

SECTION A

Answer **two** questions from this section.

1. (a) Define the terms *sole trader* **and** *tertiary sector*. [4 marks]
- (b) Explain why the setting of strategic objectives is important in managing *Les Maisonnettes*. [4 marks]
- (c) Examine **two** advantages and **two** disadvantages of *Les Maisonnettes* restructuring as a private limited company (*line 24*). [7 marks]
2. (a) (i) Identify **two** appropriate sources of finance for *Les Maisonnettes* to fund the development of the barns (**Option 2 or 3**) (*lines 162-177*). [2 marks]
- (ii) Define the term *gearing* (*line 177*). [2 marks]
- (b) Using data from appendices 3 and 4, calculate the gearing ratio and return on capital employed (ROCE) of Sophie's business in the financial years 2005 **and** 2008. [4 marks]
- (c) Analyse the reasons for the changes in gearing ratio and return on capital employed (ROCE) you have identified in part (b). [7 marks]
3. (a) (i) Define the term *market share* (*line 155*). [2 marks]
- (ii) Identify **two** methods of secondary research available to Sophie. [2 marks]
- (b) Explain **two** ways in which *Les Maisonnettes* can differentiate themselves from *Sanctuary*. [4 marks]
- (c) Examine the importance to *Les Maisonnettes* of adopting a total quality management (TQM) approach. [7 marks]

SECTION B

Answer *the compulsory* question from this section.

4. (a) Comment on the appropriateness of Sophie’s leadership style. *[4 marks]*
- (b) Explain the impact of the external environment on *Les Maisonnettes*’ workforce planning. *[8 marks]*
- (c) With reference to the external environment, to what extent will the proposed rewards package of *Les Maisonnettes* ensure successful recruitment and motivation of employees? *[8 marks]*

Additional information

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