





## Business Framework - Past Exam Questions

1. Which **two** of the following apply to partnerships?

[2]





*Tick **two** boxes only.*

	They are owned by shareholders			They are owned by one person	
	Owners may sign a Deed of Partnership			There must be at least two owners	


1. Which **two** of the following apply to public limited companies?

[2]

*Tick **two** boxes only.*

	Shares can be bought on the Stock Exchange	1		The name of the company is usually followed by the letters "Ltd"	2
	The minimum number of partners is two	3		The name of the company is usually followed by the letters "plc"	4

6. Below is a draft advertisement drawn up by the Human Resources Department of Anvil Engineering plc. Some changes are being considered before the advertisement is published. Read the advertisement and answer the questions below.



**PRODUCTION WORKERS  
REQUIRED BY  
ANVIL ENGINEERING PLC**

Anvil Engineering plc is a large multinational company producing engineered products for a variety of markets. Expansion of our wind turbine division means that additional workers are required.

No formal qualifications are needed, but experience in similar work is desirable.

Applicants must be between 25 and 40 years of age.

Write or telephone for an application form and for a job description to:

Mr Jones  
Human Resources Manager  
Anvil Engineering plc  
Wrexham

- (a) Businesses produce **goods** or **services**. Does Anvil Engineering plc produce goods or services? [1]
- 

8. Ruby and Dean have always wanted to start their own business. They have decided to set up their business, called Retro, on the outskirts of Swansea. Their shop will meet the increased demand for goods which were fashionable between 1950 and 1980. Some of the goods they will sell will be from the actual time and others will be reproductions.

- (a) In which sector, **public** or **private**, will Retro operate? [1]
-

7. In recent years a number of people have taken up the hobby of designing and producing their own greetings cards. They buy packs of materials which are used to make birthday, Christmas and other greetings cards.

Some have developed their hobby into businesses, selling at craft fairs and through the Internet. One such person is Fran Blake who operates her business as a sole trader.

- (a) Outline **two** benefits Fran gains as a result of operating as a sole trader. [4]

(i) .....

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(ii) .....

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9. Ali has set up a juice bar in a busy town centre location. He uses fresh fruit which is processed to create a healthy drink.

Ali has seen an advertisement, published by Fruitjuice Ltd, showing the benefits of becoming a franchisee. Fruitjuice Ltd runs a very successful chain of bars producing drinks similar to those made at Ali's bar.

Fruitjuice Ltd has grown rapidly as a result of franchising. Businesses wanting to take out a franchise with Fruitjuice Ltd will need to pay a sum of £4000 to Fruitjuice Ltd and annual payments of £2000. In return Fruitjuice Ltd will provide a number of benefits including training.

(e) Advise Ali on whether he should join this franchise or continue as he is. [10]

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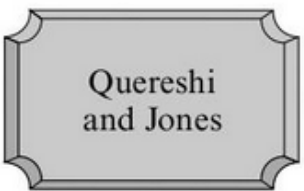


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2. Which **two** of the following are most likely to be found in a deed of partnership? [2]

*Tick **two** boxes only.*

 <p>How many goods to sell</p>	1	 <p>Names of partners</p>	2
 <p>How profits are to be shared</p>	3	 <p>The price of goods to be sold</p>	4

4. Co-operative shops are found all over the country.

- (a) Who are most likely to be the owners of these shops? [1]

*Tick **one** box only.*

Customers	1
Taxpayers	2
The Government	3

(b) What is the term for the share of the profits of co-operatives?

[1]

*Tick one box only.*

Dividend
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1
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Interest
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2
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Shareholding
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3
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5. (a) **Underline** the definition which best describes the term **limited liability**.

[1]

- (i) The company is limited to the number of shareholders it has.
- (ii) The company must sell its shares on the Stock Exchange.
- (iii) The owners do not have to sell personal possessions if the business fails.

(b) Below are some examples of businesses. Which **two** are most likely to have limited liability?

[2]

*Tick two boxes only.*

Jones and Co. Ltd (Builders)	1
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Mix N Match p.l.c. (Clothing Retailer)	2
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Colin Edwards (Greengrocer)	3
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Quick and Wright (Accountants)	4
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8. Ryan Davies has been a keen reader since childhood. After being made redundant from a travel agent business, where he had worked for a number of years, he decided to set up a shop selling new and second hand books.

(b) Suggest **two** aims Ryan might have for the business. [2]

(i) .....

(ii) .....

(c) Shopkeepers such as Ryan are sometimes called retailers. Briefly describe **one** function of retailers. [2]

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1. Which **two** of the following are normally considered to be **wants** rather than **needs**? [2]

N.B. Tick **two** boxes only.

Transport 		Food 	
Housing 		Music Player 	

10. The Virgin Group is a complicated business organisation which means that it is divided into a number of individual private limited companies. The Virgin Group was set up by Sir Richard Branson in 1970 and he is a major shareholder in all the companies.

(a) Explain **one** difference between a private limited company and a public limited company. [2]

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The Virgin Group has grown to include businesses in areas ranging from mobile telephones to transportation, travel, financial services, media, music and fitness.

Some of the growth has involved buying existing businesses.

(b) Which term below is used to describe growth by buying existing businesses? [1]

*Tick **one** box only.*

<b>ACQUISITION</b>	1
<b>INTERNAL GROWTH</b>	2



**[8]**

[illegible]

8. Dyson Ltd is a British technology company founded in 1993 by James Dyson. The business designs and manufactures vacuum cleaners, hand dryers and other electrical products.

(a) What type of business is Dyson Ltd?

[1]

*Tick one box only.*

PARTNERSHIP	1
PRIVATE LIMITED COMPANY	2
PUBLIC LIMITED COMPANY	3
SOLE TRADER	4

7. Gallops is a business selling horse riding equipment in a small shop in a mid Wales town. It is owned by Sam Fudge and Mary Matthews.

(a) Suggest and explain **two** advantages to Sam and Mary of being in a business partnership. [4]

(i) .....

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(ii) .....

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9. Greggs plc is a leading bakery retailer serving 5 million customers per week. The business sells bread, cakes and savoury products such as pies, sandwiches and pasties through its 1400 shops. The business was started as a family bakery in the north east of England in the 1930s by John Gregg. It grew and spread throughout the UK and in 1984 Greggs became a public limited company (plc).

- (a) Explain **one** advantage and **one** disadvantage to Greggs of becoming a public limited company. [4]

Advantage .....

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Disadvantage .....

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1. British Petroleum plc (BP) is the biggest business in the UK. It extracts oil from the ground, manufactures petrol at its refineries and sells it through its own petrol stations.

- (a) Which type of production – primary, secondary or tertiary - involves the extraction of oil from the ground? [1]

3

BP may be considering taking over another business owning a number of oil refineries.

- (c) Explain **one** possible effect on **each** of the following stakeholders if the takeover happens. [6]

(i) BP workers .....

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(ii) BP customers .....

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(iii) BP shareholders .....

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BP sells petrol through its own petrol stations and through those franchised to other businesses.

(d) What is the term given to a person or business which **buys** such a franchise? [1]

(e) Assess the advantages **and** disadvantages to BP of selling more franchises rather than opening its own petrol stations. [8]

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As the economy recovers the directors at Great Gates and Co Ltd are considering whether or not to change the business into a public limited company.

- (d) Advise the directors on whether or not the business should become a public limited company. [8]

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3. Below are examples of workers employed in the various sectors of the economy.

			
Steelworker	Fisherman	Nurse	Bank clerk
			
Professional footballer	Waiter	Factory worker	Bricklayer

Select the **four** employed in the tertiary sector and write in their jobs in the table below.

[4]

TERTIARY WORKERS	
1	
2	
3	
4	