

Surname	
Other Names	
Centre Number	
Candidate Number	
Candidate Signature	
AS	
BUSINESS	

Paper 2 Business 2

7131/2

Tuesday 24 May 2016

Afternoon

Time allowed: 1 hour 30 minutes

For this paper you must have:

- the insert (enclosed)
- a calculator.



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INSTRUCTIONS

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer ALL questions.
- You must answer the questions in the spaces provided. Do not write on blank pages.
- Do all rough work in this answer book. Cross through any work you do not want to be marked.

INFORMATION

- The maximum mark for this paper is 80.
- The marks for questions are shown in brackets.

DO NOT TURN OVER UNTIL TOLD TO DO SO



A potential supplier is hoping to win a contract to make Moshi Monsters' branded key rings. Information on this possible contract is provided in FIGURE 3. How many key rings will the supplier need to sell each month to Mind Candy Ltd to break even? [3 marks]

Number of key rings
Workings





Using the information provided in FIGURE 2, calculate Mind Candy Ltd's operating profit margin in 2012. [3 marks]		
Operating profit margin		
Workings		





Explain ONE reason why the views of SPARK Ventures are likely to be important when Mind Candy Ltd makes major decisions. [4 marks]

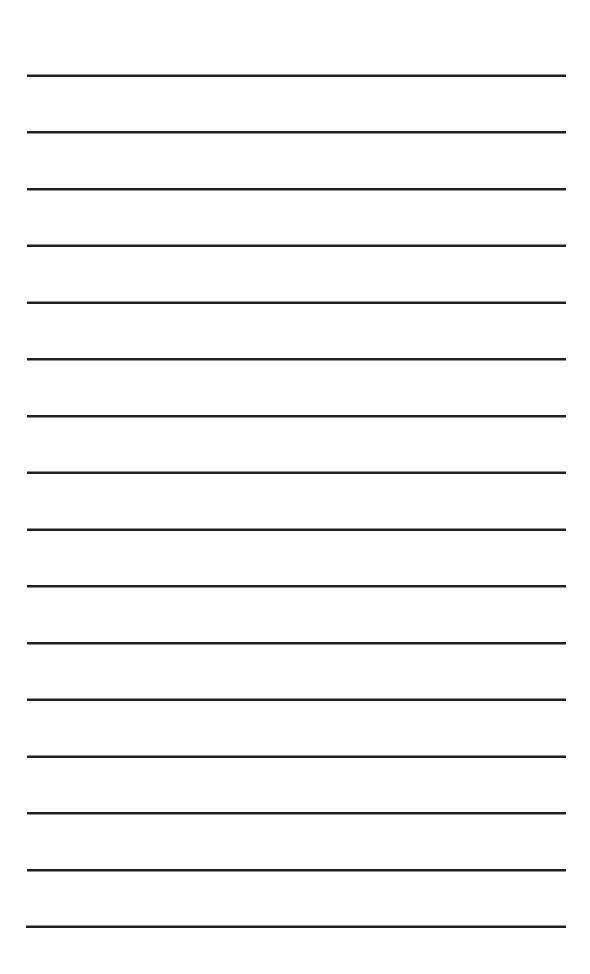




Analyse why Mind Candy Ltd outsources production of Moshi Monsters' merchandise such as trading cards and cuddly toys. [9 marks]



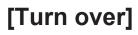






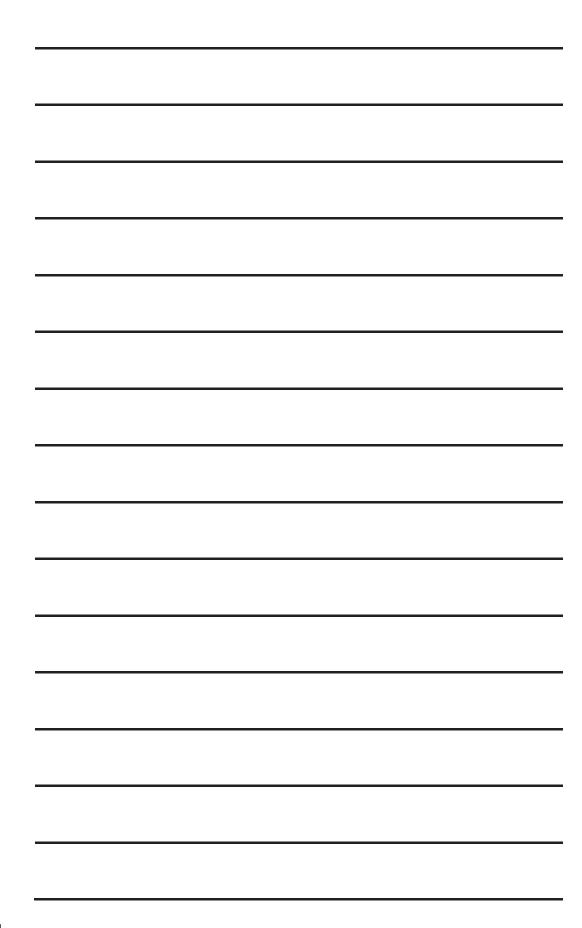


Explain why venture capitalists such as SPARK Ventures may have been willing to provide finance to Michael Acton Smith for the growth of Mind Candy Ltd in 2007. [9 marks]





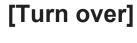






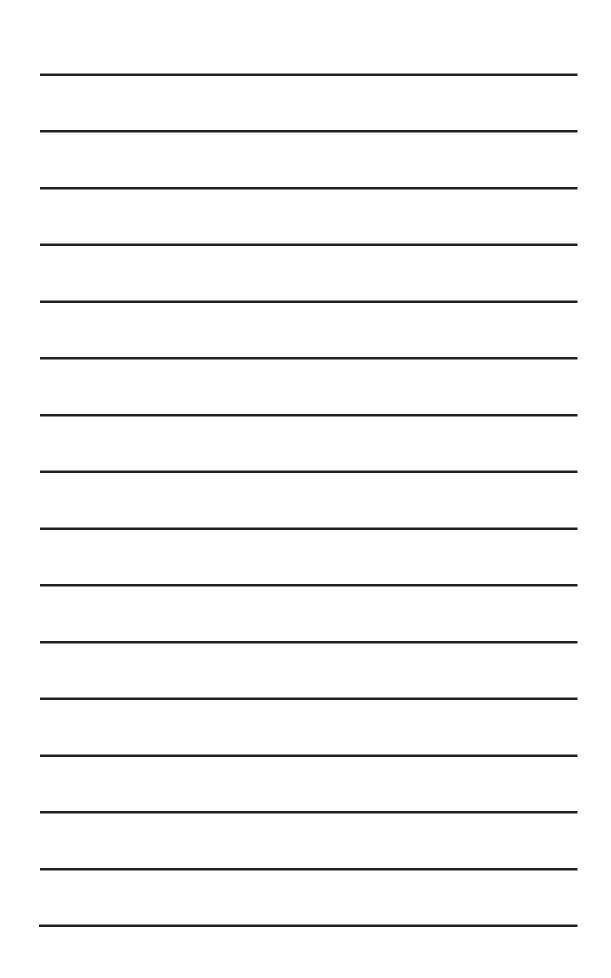


Mind Candy Ltd remains a private limited company despite some pressure to become a public limited company. Do you believe the business should continue to be a private limited company? Justify your answer. [16 marks]





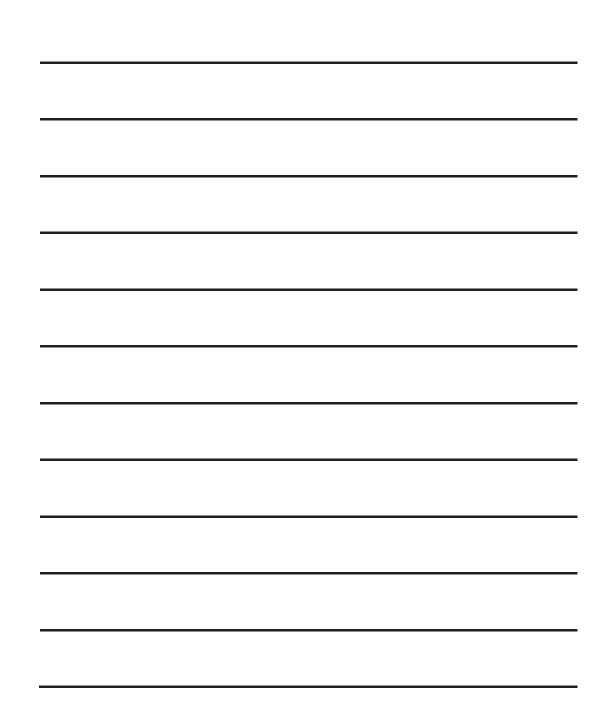








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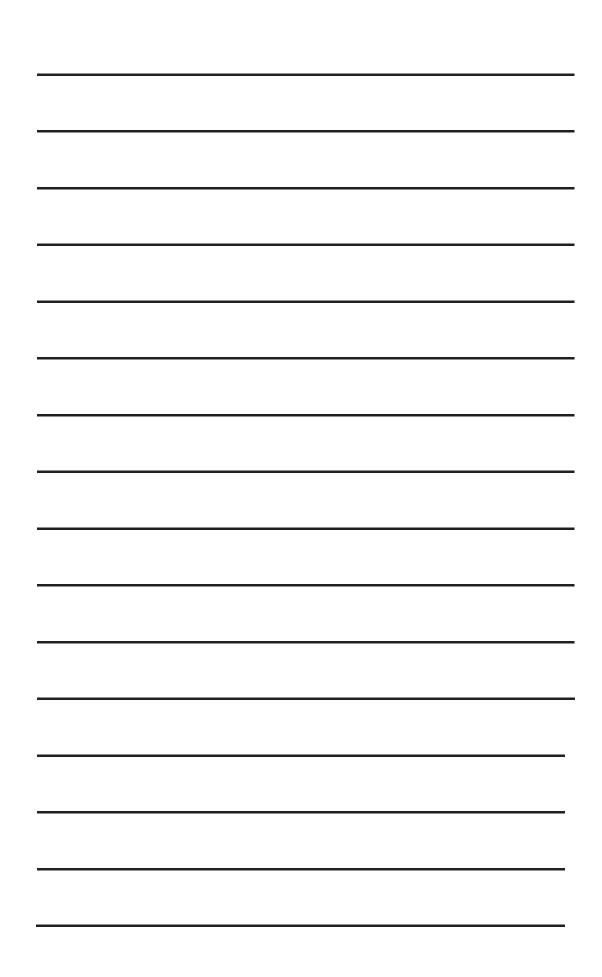


Mind Candy Ltd mainly uses non-financial methods to motivate its employees. With reference to theories of motivation, to what extent are non-financial methods of motivation likely to be more effective than financial methods for Mind Candy Ltd? Justify your answer. [16 marks]













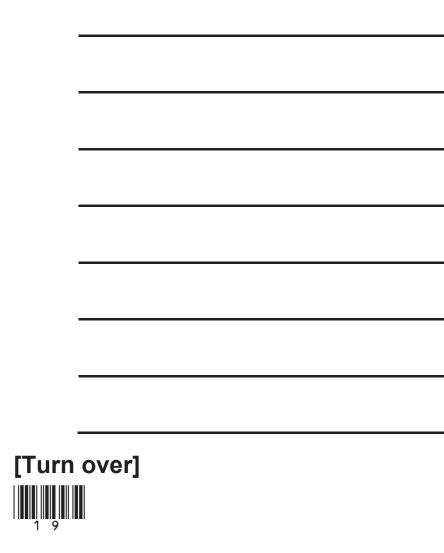


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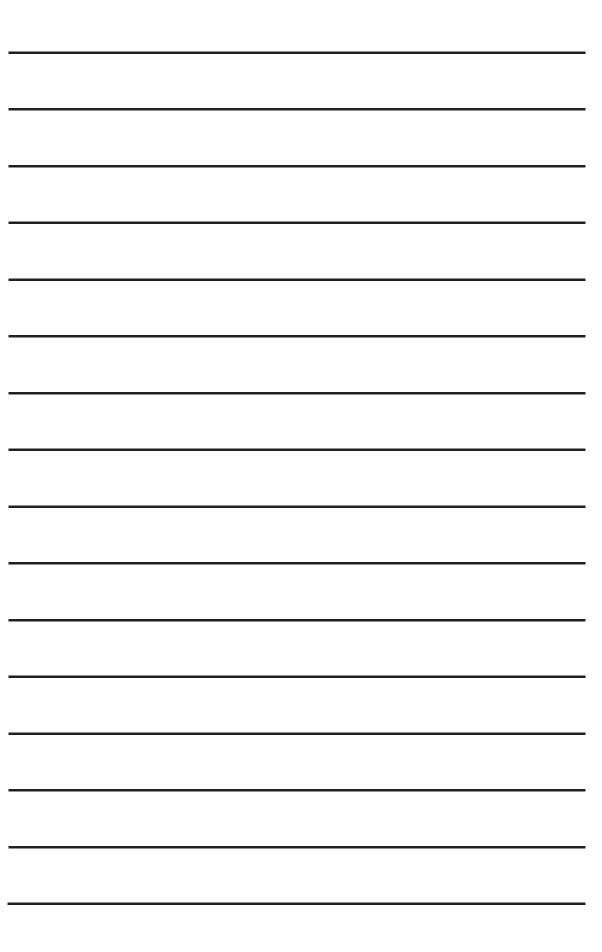
Mind Candy Ltd has been careful to behave ethically. Should ethics be the biggest influence on decision-making for all businesses? Justify your answer. [20 marks]













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END OF QUESTIONS

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