

## Check In quiz

### The interdependent nature of business

#### Questions

1. The Operations Manager of a leading sportswear manufacturer needs to increase output in advance of an international football competition.

An increase in output is likely to affect the human resources function of the business because:

- A business costs will be reduced
- B more employees will need to be recruited
- C more space will be required to store the sportswear clothing
- D the manufacturer will advertise strongly during the competition

Your answer

[1]

2. One way the finance function of a firm can support the human resources function is by:

- A ordering raw materials from a local supplier
- B producing selection tests for job applicants
- C restricting the number of new staff it can employ
- D setting aside money for staff training

Your answer

[1]

3. Which of the following is the **most** likely reason why the building of a new factory may not go ahead

- A The finance function cannot find a suitable source of finance
- B The human resources function needs to do a skills gap analysis
- C The marketing function discovers the market for the products is growing
- D The operations function needs to be trained to use the new machinery

Your answer

[1]

4. An entrepreneur may decide **not** to offer a new service because:

- A forecasted costs are too low
- B rewards are too low
- C the risks are too low
- D there is a gap in the market

Your answer

[1]

5. How could the human resources function help a business improve its ethical profile?

- A By discriminating between employees
- B By issuing contracts of employment to new recruits
- C By offering less flexible working conditions
- D By respecting the privacy of employees

Your answer

[1]

6. Which of the following activities is **most** likely to directly help a business achieve its objective of increasing its market share by 1%?

- A Finance monitoring cash inflows and outflows
- B Human resources introducing an employee reward scheme
- C Marketing running a successful advertising campaign
- D Operations improving productivity

Your answer

[1]

7. Which of the following stakeholders is **most** likely to be directly affected by a firm's decision to increase its prices?

- A Customers
- B Employees
- C Local community
- D Suppliers

Your answer

[1]

8. Corit plc, an established company, has published the following figures:

	2014	2015	2016
Revenue	£98 million	£110 million	£124 million
Profit	£7.5 million	£6.9 million	£6.4 million

This data is useful for company decision-making because:

- A** it shows that company profits are increasing year on year
- B** it shows that the business has nothing at all to worry about
- C** it shows that the business needs to reduce its expenses
- D** it shows that the company's marketing function is ineffective

Your answer

**[1]**

## Mark scheme

Question	Answer	Marks	Rationale
1	(b)	1	<p>(a) Additional output will increase business costs, including raw materials and labour.</p> <p>(b) <b>Correct answer:</b> More employees are likely to be needed and recruitment is a role of human resources.</p> <p>(c) More space is likely to be required to store the clothing; however storage is part of the role of operations.</p> <p>(d) The firm will probably promote heavily during the football competition; however, this affects the marketing function, rather than the human resources function.</p>
2	(d)	1	<p>(a) Despite money being involved, this is a role of procurement, not finance.</p> <p>(b) This is a role of the human resources function; however, the finance function would not be involved in producing the tests.</p> <p>(c) This would constrain, rather than support, the human resource function. It is also likely to be beyond the remit of the finance function unless it was via a budget constraint.</p> <p>(d) <b>Correct answer:</b> Allocating a budget for training would be a way the finance function can support the human resources function.</p>
3	(a)	1	<p>(a) <b>Correct answer:</b> The building of a factory is unlikely to go ahead if funding, which is a finance function, cannot be secured.</p> <p>(b) The human resources function may need to conduct a skills gap analysis; however, this can be done while the factory is being built and is unlikely to stop the build going ahead.</p> <p>(c) If market research indicates that the market is growing then the business expansion is more likely to go ahead.</p> <p>(d) Training would be done once the machinery was in situ at the new factory. A training need is unlikely to stop the building of the factory going ahead.</p>

# GCSE (9–1) BUSINESS

Question	Answer	Marks	Rationale
4	(b)	1	<p>(a) Low costs are good news to an entrepreneur, meaning the offering of a new service is more likely to go ahead.</p> <p>(b) <b>Correct answer:</b> Entrepreneurs takes risks for reward, if the potential reward is too low they will not offer the new service.</p> <p>(c) The lower the risk the better, assuming the reward is sufficient. Low risk would encourage the provision of a new service.</p> <p>(d) A gap in the market would be a reason to offer a new service.</p>
5	(d)	1	<p>(a) Discrimination is illegal.</p> <p>(b) The issuing of contracts of employment is required under employment law.</p> <p>(c) Less flexible working conditions are likely to harm, rather than improve, a firm's ethical profile.</p> <p>(d) <b>Correct answer:</b> Respecting the privacy of employees is an example of a business behaving in an ethical manner.</p>
6	(c)	1	<p>(a) The monitoring of cash flows does not have any direct effect on market share.</p> <p>(b) This would increase employee motivation and have a positive, but indirect effect, on the business and possibly its market share.</p> <p>(c) <b>Correct answer:</b> A successful marketing campaign will directly increase the number of customers to the business, increasing market share.</p> <p>(d) An improvement in productive efficiency will lower costs and, possibly, increase profit. However, it has no direct effect on market share, for that the business needs customers.</p>
7	(a)	1	<p>(a) <b>Correct answer:</b> Customers are the buyers of the product, it is therefore their money which is spent, and they that will be most affect by a price increase.</p> <p>(b) There may be an effect of higher prices on employees, be it loss of jobs if the price rise leads to lower demand or a wage increase because demand is retained. However, the effect is not as direct as on customers.</p> <p>(c) Local residents live close to the business, but are not directly affected by the price charged for the products.</p> <p>(d) Suppliers may benefit from a firm's willingness to pay more for supplies if the price increase is accepted by customers; however, this effect is not as direct as that on customers.</p>

Question	Answer	Marks	Rationale
8	(c)	1	<p>(a) Incorrect, profits are falling year on year.</p> <p>(b) Profit is falling; this should be a cause for concern.</p> <p>(c) <b>Correct answer:</b> Revenue is increasing year on year but profit is falling. The data indicates that Corit plc. needs to focus its decision-making on how to reduce its expenses.</p> <p>(d) Marketing affects the amount of sales and, hence, revenue. The data shows that Corit plc's marketing function is being very effective – it has increased its revenue year on year.</p>

We'd like to know your view on the resources we produce. By clicking on '[Like](#)' or '[Dislike](#)' you can help us to ensure that our resources work for you. When the email template pops up please add additional comments if you wish and then just click 'Send'. Thank you.

Whether you already offer OCR qualifications, are new to OCR, or are considering switching from your current provider/awarding organisation, you can request more information by completing the Expression of Interest form which can be found here: [www.ocr.org.uk/expression-of-interest](http://www.ocr.org.uk/expression-of-interest)

Looking for a resource? There is now a quick and easy search tool to help find free resources for your qualification:

#### OCR Resources: *the small print*

OCR's resources are provided to support the delivery of OCR qualifications, but in no way constitute an endorsed teaching method that is required by the Board, and the decision to use them lies with the individual teacher. Whilst every effort is made to ensure the accuracy of the content, OCR cannot be held responsible for any errors or omissions within these resources.

© OCR 2017 - This resource may be freely copied and distributed, as long as the OCR logo and this message remain intact and OCR is acknowledged as the originator of this work.

OCR acknowledges the use of the following content: n/a

Please get in touch if you want to discuss the accessibility of resources we offer to support delivery of our qualifications: [resources.feedback@ocr.org.uk](mailto:resources.feedback@ocr.org.uk)