



ICM

SEPTEMBER 2015

BUSINESS ORGANISATION

Instructions to candidates:

- a) Time allowed: Three hours (plus an extra ten minutes' reading time at the start – do not write anything during this time)
 - b) Answer any FOUR questions
 - c) All questions carry equal marks. Marks for each question are shown in []
1. Discuss the following terms with regards to the size of a business:
- a) Stock market
 - b) Takeover
 - c) Merger
 - d) Economies of scale
 - e) Business strategy [5 each]
2. a) Draft an organisation chart for a company which manufactures its own goods and sells them direct to customers. [13]
- b) Explain the following terms:
- i Labour turnover
 - ii Product life cycle
 - iii Assets [4 each]
3. a) Explain the term **technical economies**. [10]
- b) Explain the term **marketing economies**. [8]
- c) Explain the term **turnover**. [7]
4. a) State THREE types of business organisation. [3]
- b) Explain the term **self-financing** and why this may be the most satisfactory way of growing a business. [12]
- c) Explain the following terms:
- i Restrictive covenant
 - ii Non-executive director [5 each]
5. Write short notes on FIVE of the following:
- a) A vision or mission statement
 - b) QUANGO
 - c) Management by objectives
 - d) Horizontal integration
 - e) A franchise
 - f) Division of labour
 - g) Batch production [5 each]