



ICM

MARCH 2017

BUSINESS MANAGEMENT & ADMINISTRATION

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 FIVE questions
 - c) All questions carry equal marks. Marks for each question are shown in []
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1.
 - a) Explain the circumstances in which a business owner may also be a business manager. [8]
 - b) With the aid of suitable examples, evaluate the main management functions of organisations as identified by Henri Fayol. [12]
 2. With the aid of THREE example organisations of your choice and suitable diagrams, describe the THREE main types of authority applied in the organisations chosen. [5 each + 5 for diagrams]
 3.
 - a) Explain the differences between a sole trader and a private limited company. [5 each]
 - b) Evaluate the most appropriate sources of finance available to a **partnership** and to a **public limited company** when setting up in business. [5 each]
 4.
 - a) Analyse how an organisation maintains stock control. [8]
 - b) With the aid of a diagram, evaluate the effectiveness of Economic Order Quantity and its contribution to the control of stock. [12]
 5.
 - a) Evaluate the main elements in the sequence of dispatch activities when transporting and distributing goods for sale. [12]
 - b) Describe the main advantages of owning your own transport fleet for distribution. [8]
 6.
 - a) Describe the main sources of finance that a small business can access to fund research and development of its range of products. [8]
 - b) Evaluate the main difficulties that are experienced by small businesses when engaging in research and development. [12]
 7.
 - a) Briefly compare the main differences between:
 - i the Internet
 - ii the Extranet
 - iii email[3 each]
 - b) Analyse how e-commerce is made secure for both buyers and sellers. [11]
 8.
 - a) Describe a '**cash flow budget**'. [8]
 - b) With the aid of examples, evaluate how budgeting assists management in the control of expenditure and in making financial decisions. [12]