



ICM

MARCH 2017

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. a) Discuss the factors that affect the size of a business. [10]
b) Outline the role of a board of directors. [8]
c) Explain the term **line organisation**. [7]
2. a) Explain the normal services provided by a local authority. [10]
b) Outline the process of 'floating' a company. [7]
c) Explain why one company may wish to merge or take over another company. [8]
3. a) Explain the purpose of an organisation chart. [10]
b) Explain the term **management by objectives**. [8]
c) Discuss the term **span of control**. [7]
4. a) List THREE types of business organisation. [3]
b) Why would someone choose to operate a business as a sole trader? [12]
c) Explain the following terms:
i Mixed economy
ii Non-executive director [5 each]
5. Write short notes on FIVE of the following:
a) A quango
b) The planning application process
c) A 'not-for-profit' organisation
d) The public sector
e) A franchise operation
f) Span of control
g) Restrictive covenant [5 each]