



National  
Qualifications  
2016

**X710/75/11**

**Business Management**

FRIDAY, 27 MAY

9:00 AM – 10:30 AM

**Total marks — 70**

**SECTION 1 — 30 marks**

Attempt BOTH questions.

**SECTION 2 — 40 marks**

Attempt ALL questions.

Write your answers clearly in the answer booklet provided. In the answer booklet you must clearly identify the question number you are attempting.

Use **blue** or **black** ink.

**You may use a calculator.**

Before leaving the examination room you must give your answer booklet to the Invigilator; if you do not, you may lose all the marks for this paper.



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**SECTION 1 — 30 marks**  
**Attempt BOTH questions**

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# WHO MADE YOUR PANTS?

Who Made Your Pants? is an ethical business that was launched in 2008 by Becky John because she really didn't like wearing clothes that were made in sweatshop conditions. The company makes underwear using traditional fabrics, like lycra and lace, which are bought from big underwear companies. These fabrics are unwanted materials which are normally thrown out as waste at the end of a season.

In 2014, Becky won Social Entrepreneur of the Year for her business that creates manufacturing jobs for women who have been excluded due to their status as refugees. She employs 8 women with refugee backgrounds from countries such as Sudan, Somalia and Afghanistan.

The company provides training and every new recruit starts by working on one style of underwear and then moves onto the more complicated styles. The pants are handmade and each woman has a specialist job like cutting, sewing or trimming so there will always be more than one person involved in the making of each piece of underwear. All profits the company makes go back into the business.

You should note that although the following questions are based on the case study above, you will need to make use of knowledge and understanding you have gained whilst studying the Course.

- |  |   |
|--|---|
| 2. (a) (i) From the case study, identify <b>one</b> way that Who Made Your Pants is ethical in its production. | 1 |
| (ii) Justify the importance of ethical production.   | 3 |
| (b) Who Made Your Pants sells its products online.<br>Explain the benefits of online selling (e-commerce).     | 3 |
| (c) (i) Identify <b>one</b> type of training used by Who Made Your Pants.                                      | 1 |
| (ii) Describe an advantage of the type of training identified in (c)(i).                                       | 1 |
| (d) Describe the methods of selection that could be used by Who Made Your Pants.                               | 3 |
| (e) Describe the methods that Who Made Your Pants could use to ensure the quality of its underwear.            | 3 |

[Turn over

**SECTION 2 — 40 marks**

**Attempt ALL questions**

- |    |       |   |   |
|----|-------|---|---|
| 3. | (a)   | Internal factors can influence performance.   |   |
|    | (i)   | Identify <b>2</b> internal factors.   | 2 |
|    | (ii)  | Explain the influence of the factors identified in (a)(i).  | 2 |
|    | (b)   | Outline the objectives of a non-profit-making organisation.   | 2 |
|    | (c)   | Discuss the advantages and disadvantages of operating as a sole trader.                                       | 4 |
| 4. | (a)   | Outline the ways an organisation could use the following technology in the recruitment and selection process. |   |
|    | (i)   | Word processing package   | 1 |
|    | (ii)  | Database package  | 1 |
|    | (iii) | Company website   | 1 |
|    | (b)   | (i) Identify <b>2</b> methods of industrial action.   | 2 |
|    |       | (ii) Explain the impact of industrial action.   | 3 |
|    | (c)   | Outline the impact of technology on working practices.  | 2 |

**5. Cash Budget for Green Energy Solutions Ltd**

|                       | £<br>May      | £<br>June    | £<br>July     |
|-----------------------|---------------|--------------|---------------|
| OPENING BALANCE       | 20,000        | (3,000)      | (2,000)       |
| <u>RECEIPTS</u>       |               |              |               |
| Sales Revenue         | <u>2,000</u>  | <u>8,000</u> | <u>13,000</u> |
| TOTAL                 | 22,000        | 5,000        | 11,000        |
| <u>PAYMENTS</u>       |               |              |               |
| Purchases             | 1,000         | 2,000        | 3,500         |
| Wages                 | 3,000         | 4,000        | 4,000         |
| Advertising           | 1,000         | 1,000        | 1,000         |
| Purchase of Motor Van | <u>20,000</u> | <u>0</u>     | <u>0</u>      |
| TOTAL                 | 25,000        | 7,000        | 8,500         |
| CLOSING BALANCE       | (3,000)       | (2,000)      | 2,500         |

- (a) (i) From the cash budget, identify 2 cash flow problems. 2
- (ii) Describe how the problems identified in part (a)(i) could be solved. 4
- (b) From the cash budget, identify an example of:
- (i) a fixed cost; 1
- (ii) a variable cost. 1
- (c) Outline the purposes of producing an income statement. 2
- 6.** (a) Describe the methods of production. 3
- (b) Outline the factors an organisation might consider when choosing a supplier. 3
- (c) Explain the possible problems of:
- under-stocking;
  - over-stocking. 4

**[END OF QUESTION PAPER]**

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## ACKNOWLEDGEMENT

Question 2 – Logo and information are adapted from [www.whomadeyourpants.co.uk](http://www.whomadeyourpants.co.uk).

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