



T-LEVELS
THE NEXT LEVEL QUALIFICATION

ASSESSMENT TWO

1.4, 1.5, 1.7, 1.8

**URSULINE HIGH SCHOOL
ET-FOUNDATION.CO.UK**

Assessment 2: 1.4, 1.5, 1.7, 1.8 (62 MARKS)

1.4 Legal entity types that organisations can form

1.

0 3

Statement 1: 'Sole traders are usually private sector organisations.'
Statement 2: 'Public limited companies are usually public sector organisations.'

Read statements 1 and 2 and select the correct option from the following:

- A Statement 1 is true. Statement 2 is true. ☐
- B Statement 1 is true. Statement 2 is false. ☐
- C Statement 1 is false. Statement 2 is true. ☐
- D Statement 1 is false. Statement 2 is false. ☐

[1 mark]

2.

0 1

A business is more likely to set up as a **public limited company (PLC)** if:

- A Its managers want to control all decision making ☐
- B It needs a high level of finance to expand its operations ☐
- C It has a low risk of failing ☐
- D It has a not-for-profit vision of supporting the local community ☐

[1 mark]

3.

0 2

One benefit of operating as a **sole trader** includes being able to

[1 mark]

- A control the business vision. ☐
- B issue shares to friends. ☐
- C protect personal assets. ☐
- D share decision making. ☐

1.5 Organisational objectives and strategies for achieving them

4.

0 9 According to Porter's five forces, which **one** of these events is most likely to help a business's profitability?

A A decrease in supplier power.

☐

B A new entrant into the market.

☐

C An increase in buyer power.

☐

D New product development by a competitor.

☐

[1 mark]

5.

0 2 Which of the following is an example of a business objective?

A An employee wants to increase her wages

☐

B A social enterprise wants to benefit the local community

☐

C A sole trader wants to receive enough profit to support his family

☐

D A social enterprise wants to increase sales by 10%

☐

[1 mark]

6.

0 8 A business is planning to sell a new product in an existing market. Which **Ansoff's competitive strategy** is the business using?

A Diversification

☐

B Market penetration

☐

C Market development

☐

D Product development

☐

[1 mark]

7.

0 2

Which is the best example of a **risk** faced by a business in 2017?

- A Competitors reduced their prices in May 2017
- B Sales declined by 10% in February 2017
- C Unknown sales growth for August 2017
- D A high probability of costs increasing in July 2017

☐☐☐☐

[1 mark]

1.7 The main legislative and regulatory frameworks that apply to organisations

8.

0 6

Business X might use a **trademark** to protect an innovation because it is concerned that its competitors might

[1 mark]

- A advertise products using business X's logos.
- B duplicate advertising material created by business X.
- C steal the ideas behind the innovation.
- D use the innovation in their products.

☐☐☐☐

1.8 Different types of internal and external stakeholders and customers

9.

0 1

A benefit of **enterprise to external stakeholders** is

[1 mark]

- A higher levels of environmental pollution.
- B higher wages for employees.
- C improved goods and services for consumers.
- D increased dividends for shareholders.

☐
☐
☐
☐

10.

0 6

Engaging with stakeholders can **best** help a business to **innovate** by

[1 mark]

- A copying a competitor's product.
- B gaining finance to build a new factory.
- C getting cheaper materials from suppliers.
- D understanding what customers want.

☐
☐
☐
☐

11.

[6 marks]

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12.

1	4
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A local café has been operating for 18 months. It has reviewed its objectives and has set a new objective to generate a 10% increase in revenue by the end of May 2018. To achieve this it is considering two different marketing mixes.

Marketing mix one	Marketing mix two
Place – offer an online delivery service for lunches as well as their local café	Place – open new cafes in new locations
Product – focus on favourites such as cheese and ham sandwiches, cheese pasties	Product – focus on organic, healthy alternatives to pasties and sandwiches
Price – match the local competition with special offers during school holidays	Price – 10% more than the local chain pasty and sandwich shop
Promotion – 20% discount if shopping there during the school holidays	Promotion – introduce a loyalty card for customers to receive % off on every fifth visit to the cafe

Use the information above to analyse the **contribution** made by each **marketing mix** to achieving the café's revenue objective.

[6 marks]

This image shows a full page of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page, providing a template for handwriting practice or general writing. There are no margins, text, or other markings on the page.

13.

1 5

An established pizza restaurant currently has no takeaway service. It plans to introduce a takeaway service to include home delivery and collection.

They currently have the following marketing mix.

- **Place** – one restaurant that can seat up to 30 customers.
- **Product** – focus on quality of the pizza and its ingredients.
- **Price** – offer a competitive pricing strategy and a price match scheme with other nearby competitors.
- **Promotion** – through word of mouth and flyers through local residents' doors.

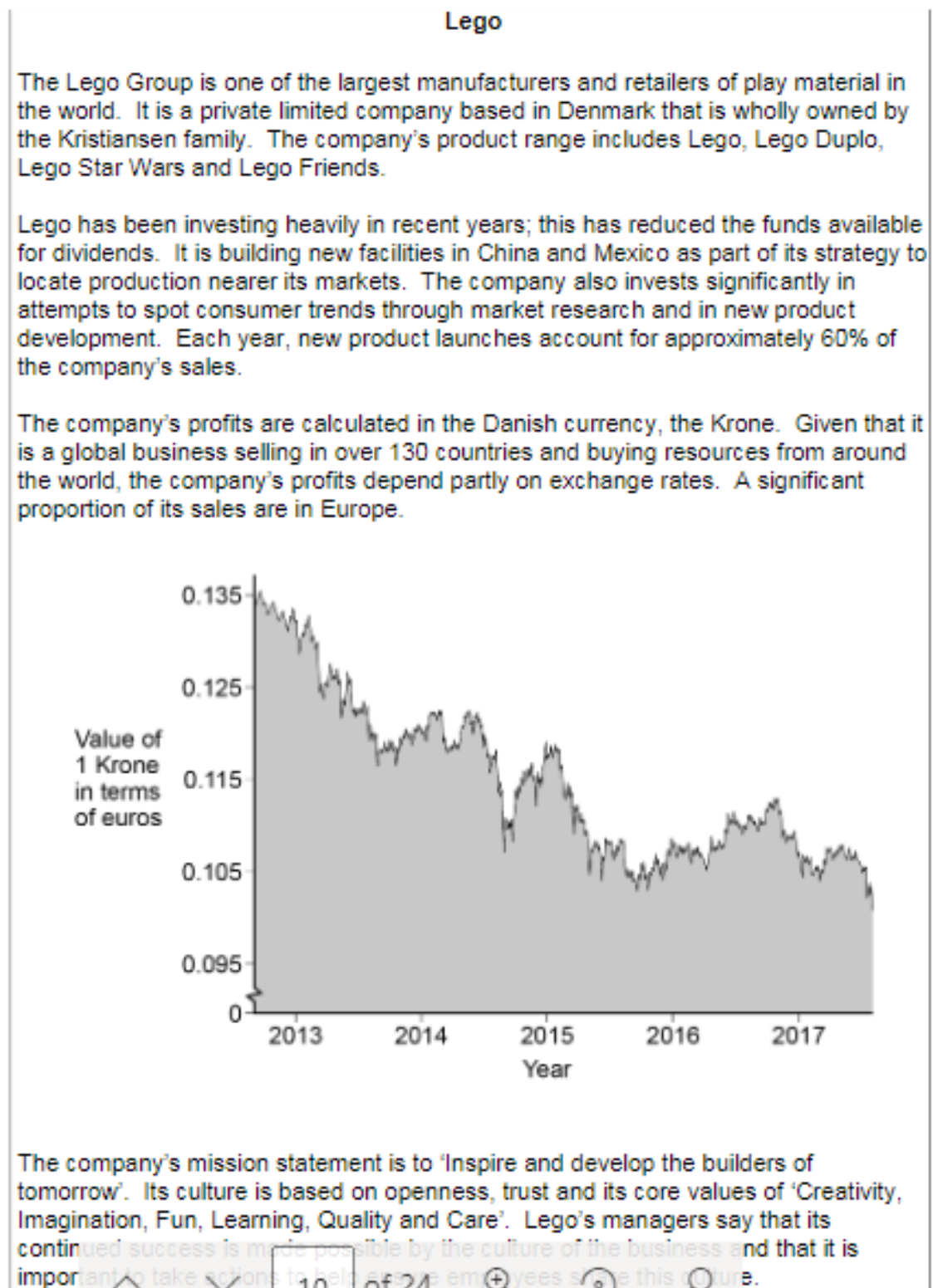
Use the information above to analyse how the business may need to **adapt the marketing mix** for its new takeaway service.

[6 marks]

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1.4 Legal-entity types that organisations can form

14.



0	2	.	1
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Lego is a private limited company. Analyse how the decisions its managers make might be different if it was a public limited company.

[9 marks]

Do not write
outside the
box

This image shows a full page of blank, lined paper. It features approximately 28 evenly spaced horizontal black lines across its entire width, typical of notebook or legal stationery. The paper is otherwise completely empty, with no margins, text, or other markings.

15.

[25 marks]

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