



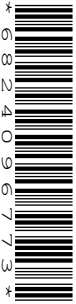
Oxford Cambridge and RSA

# A Level Business

## H431/03 The global business environment

### Friday 23 June 2017 – Afternoon

#### Time allowed: 2 hours



**You must have:**

- the Resource Booklet

**You may use:**

- a calculator



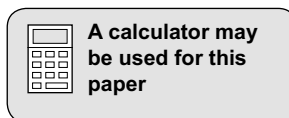
First name										
Last name										
Centre number						Candidate number				

### INSTRUCTIONS

- Use black ink.
- Complete the boxes above with your name, centre number and candidate number.
- Answer **all** the questions.
- Write your answer to each question in the space provided. Additional pages may be used if necessary but you must clearly show your candidate number, centre number and question number(s).
- Do **not** write in the barcodes.

### INFORMATION

- The total mark for this paper is **80**.
- The marks for each question are shown in brackets [ ].
- Quality of extended responses will be assessed in questions marked with an asterisk (\*).
- This document consists of **20** pages.



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Answer **all** the questions.

Use the information provided in the **Resource Booklet** to answer the following questions.

1 BA has expanded through the acquisition of other airlines.

Explain **one** diseconomy of scale which a business may experience as it expands.

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..... [2]

2 BA has been described as a global organisation.

Explain **two** factors which might have enabled it to become a global organisation.

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..... [4]





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- 5 Zenon Logistics Limited (ZLL) supplies airlines with in-flight meals. These meals are packaged on plastic trays and include a soft drink and fresh food, some of which is reheated during the flight. **Table 1** shows some of ZLL's performance data for 2015 and 2016.

**ZLL performance data**

	<b>2016</b>	<b>2015</b>
<b>Production staff</b>	145	143
<b>Meals produced (million)</b>	11.62	10.95
<b>Revenue (£ million)</b>	24.52	23.11
<b>Cost of sales (£ million)</b>	12.98	12.08
<b>Gross Profit (£ million)</b>	11.54	11.03
<b>Net profit (£ million)</b>	4.27	3.69

**Table 1**

- (a) Calculate the percentage change in productivity from 2015 to 2016 at ZLL. (Give your answer to two decimal places).

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Answer = ..... [3]

- (b) Calculate ZLL's net profit margin in 2016. (Give your answer to two decimal places).

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Answer = ..... [2]

ZLL uses time series data such as world air traffic revenue. (see Table 2)

**World Air Traffic Revenue 2006 to 2017**

	Period	Revenue (\$bn)	Trend (3-period moving average)	Cyclical Variation
<b>2006</b>	3	365		
<b>2007</b>	1	399	402.7	
<b>2008</b>	2	444	405.7	
<b>2009</b>	3	374	421.0	
<b>2010</b>	1	445	439.7	
<b>2011</b>	2	500	495.3	
<b>2012</b>	3	541	532.0	
<b>2013</b>	1	555	553.0	
<b>2014</b>	2	563	558.0	
<b>2015</b>	3	556	556.7	
<b>2016</b>	1	551		
<b>2017*</b>	2	577		

\* forecast

**Table 2**

(c) Using **Table 2**, calculate the 3-period moving average for 2016.

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Answer = ..... [2]

(d) Using **Table 2**, calculate the average cyclical variation for period 2.

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Answer = ..... [5]

(e) Analyse how time series data, such as that in **Table 2**, may be useful to ZLL.

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7\* To what extent would the stakeholders of BA describe it as a successful organisation? Justify your view. [20]

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**END OF QUESTION PAPER**

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