



Surname _____

Other Names _____

Centre Number _____

Candidate Number _____

Candidate Signature _____

AS

BUSINESS

Paper 2 Business 2

7131/2

Thursday 23 May 2019

Afternoon

Time allowed: 1 hour 30 minutes

For this paper you must have:

- the insert (enclosed)
- a calculator.

At the top of the page, write your surname and other names, your centre number, your candidate number and add your signature.

[Turn over]



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INSTRUCTIONS

- **Use black ink or black ball-point pen.**
- **Answer ALL questions.**
- **You must answer the questions in the spaces provided. Do not write on blank pages.**
- **Do all rough work in this answer book. Cross through any work you do not want to be marked.**

INFORMATION

- **The maximum mark for this paper is 80.**
- **The marks for questions are shown in brackets.**

DO NOT TURN OVER UNTIL TOLD TO DO SO



Answer ALL questions.

Read the SOURCE in the INSERT BOOKLET.

0 1 Using FIGURE 1, on page 6 of the insert, calculate the percentage change of UK clothing sales from 2015 to 2016. [3 marks]

3

0 2

The budgeted profit for Rana Fashion in 2018 was £2 946 000. Using the data below, calculate the profit variance for Rana Fashion in 2018. State whether it is adverse or favourable. [4 marks]

	Actual
Sales revenue	£5 600 000
Costs:	
Inventory	£2 300 000
Warehousing	£200 000
Distribution	£126 000
IT	£170 000
Other	£180 000

Workings _____

Budgeted profit variance _____

Adverse/favourable? _____

[Turn over]



03

Explain how Rana Fashion's ownership structure helps the business to achieve its objectives. [3 marks]



3

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[Turn over]



04

Rana Fashion outsources its distribution function.

Analyse TWO reasons why. [9 marks]

[Turn over]



9



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[Turn over]



05

Claudia is considering delegating more to her warehouse manager.

Analyse TWO benefits of this to Rana Fashion.
[9 marks]

[Turn over]



9



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0 6 How useful do you think the data provided in **FIGURES 1, 2 and 3**, on pages 6–9 of the insert, might be to **Claudia** when predicting future sales? Justify your answer. [16 marks]

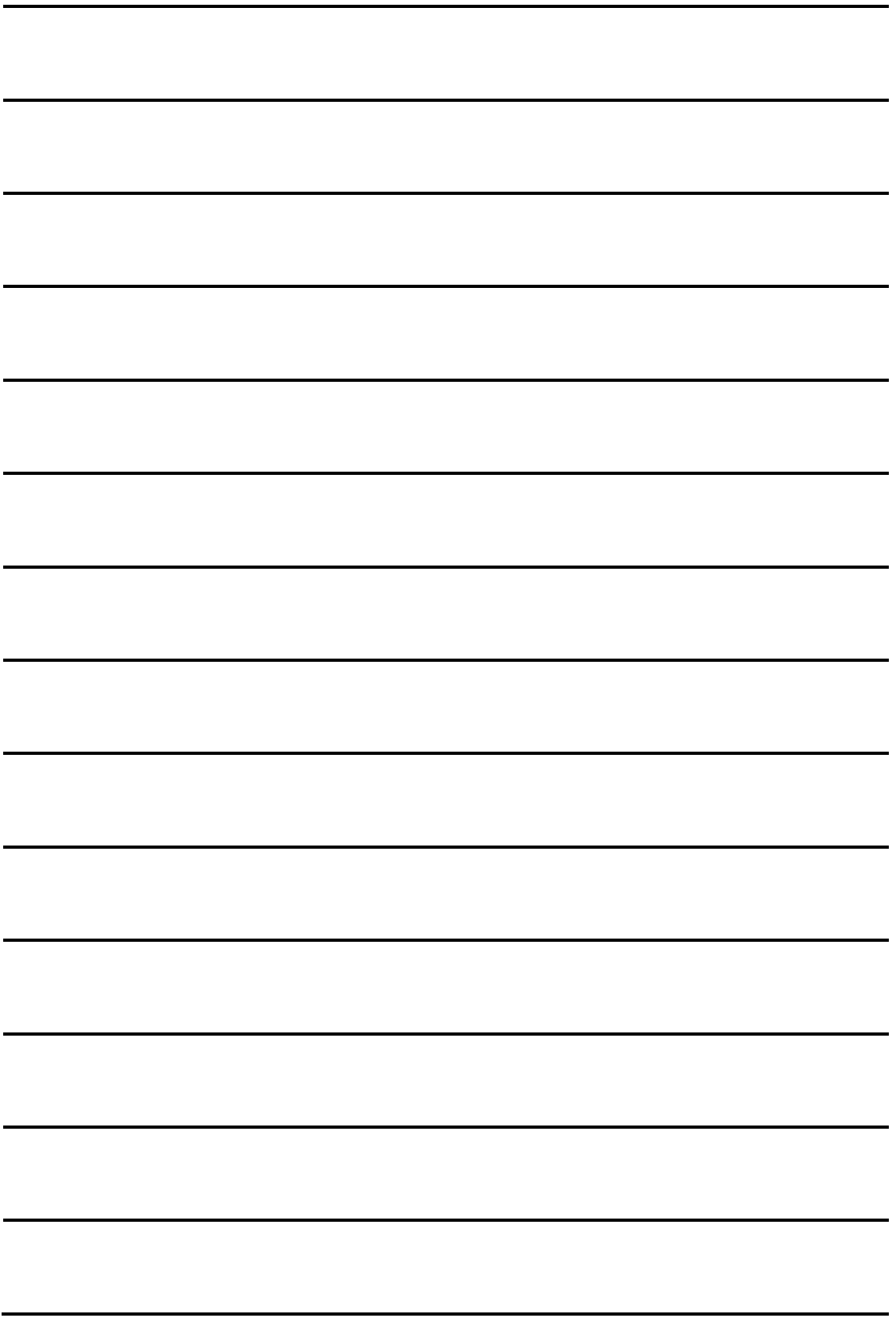
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0	7
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Rana Fashion’s financial adviser has suggested two solutions to the company’s cash flow problems. Make a justified recommendation as to which solution Claudia should choose.
[16 marks]





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0 8 'For any retailer to make a profit in the future it will need to be operating only online.'

Do you agree? Justify your view. [20 marks]



[Turn over]



[Turn over]



END OF QUESTIONS

20



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For Examiner's Use	
Question	Mark
1	
2	
3	
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6	
7	
8	
TOTAL	

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IB/M/AMAS/Jun19/7131/2/E3