



Please write clearly in block capitals.

Centre number

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Candidate number

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Surname

Forename(s)

Candidate signature

I declare this is my own work.

Level 3 Certificate/Extended Certificate APPLIED BUSINESS

Unit 4 Managing and Leading People

Time allowed: 1 hour 30 minutes

Materials

You will need no other materials.

Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions.
- You must answer the questions in the spaces provided. Do not write outside the box around each page or on blank pages.
- If you need extra space for your answer(s), use the lined pages at the end of this book. Write the question number against your answer(s).
- Do all rough work in this book. Cross through any work you do not want to be marked.

Information

- The marks for questions are shown in brackets.
- There are **two** sections to this paper.
- Both sections should be attempted.
- The maximum mark for this paper is 60. There are 40 marks for **Section A** and 20 marks for **Section B**.

Advice

- Please read each question carefully before starting.
- You should spend approximately 60 minutes on **Section A** and 30 minutes on **Section B**.

For Examiner's Use	
Question	Mark
01	
02	
03	
04	
05	
06	
07	
08	
09	
10	
11	
TOTAL	



J A N 2 2 A B S 4 0 1

Section AAnswer **all** questions in this section.**Total for this section: 40 marks**Tick (✓) the box next to the correct answer for questions **01** to **04**.**0 1**Consumer spending fell sharply in the UK in 2020. Which of the following is the best description of the **type of change** caused by this fall in spending?**[1 mark]****A** External and disruptive**B** External and incremental**C** Internal and disruptive**D** Internal and incremental

1**0 2**A **manager's role** normally includes:

- 1 creating an inspiring business vision.
- 2 planning for future events.
- 3 reporting on the performance of the business.

Which of the above statements is or are true?

[1 mark]**A** 1 and 2**B** 2 and 3**C** 1 and 3**D** 2 only

1

0 3

Read the two statements below and decide whether each is true or false.

Statement 1: A **leader's role** is transformational rather than transactional.

Statement 2: A **leader's role** is to minimise risk.

[1 mark]

A Both statements are true.

B Both statements are false.

C Statement 1 is true, statement 2 is false.

D Statement 1 is false, statement 2 is true.

1

0 4

Read the two statements below and decide whether each is true or false.

Statement 1: The **Tannenbaum and Schmidt leadership continuum** considers a range of behaviours by leaders.

Statement 2: The **Tannenbaum and Schmidt leadership continuum** recognises that the style of leadership used depends on the qualities of subordinates.

[1 mark]

A Both statements are true.

B Both statements are false.

C Statement 1 is true, statement 2 is false.

D Statement 1 is false, statement 2 is true.

1

Turn over ►



0 5

A business has a highly-skilled workforce. Explain why a **leadership style** that relies on the use of authority might not be suitable in this situation.

[3 marks]

3

0 6

Paul Ribes is the owner of a small business. Explain why Paul's use of **referent power** might be very effective.

[3 marks]

3



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0 7

A business suffers from poor communication. Explain why this might make it difficult to implement a major **strategic change** successfully.

[3 marks]

3

Turn over for the next question

Turn over ►



Section B

Answer the question in this section.

Total for this section: 20 marks

Read **Item A** and answer question

1	1
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Item A

Salix Cycles Ltd (SCL) is a bicycle manufacturer. It employs 300 mainly unskilled people and produces around 40 000 low-priced bicycles each year. In the past SCL was very profitable. Over the last year, bicycle retailers have reported that they have to wait a long time for SCL's orders to be delivered and that its bicycles are regarded as 'old fashioned', 'not well designed' and 'often faulty'.

Six months ago, Willow Osier was appointed Chief Executive Officer (CEO) of SCL to turn around the company's fortunes. Her analysis of the company's position revealed a number of constraints.

- Finance was limited because its profits had declined sharply and were just £27 500 for the last year.
- Employee performance was poor as most were demotivated because of low pay rates and simple, repetitive tasks on the production line.
- Many employees lacked skills as levels of staff training were very low and many employees left the business soon after being appointed.

Responses to a staff questionnaire Willow issued were revealing. Comments mentioned:

- many employees asking for 'substantial' pay rises
- about 60 employees wanted 'more interesting jobs' and 'involvement in decision-making'.

Willow set out the organisational changes she intended to introduce. Its main elements were:

- to invest in new production-line machinery and to make 30 managers and supervisors working in the factory redundant
- to empower employees to work in teams, each manufacturing a particular type of bicycle and making decisions on how to use their labour and equipment to make the bicycles
- for teams to develop ideas for improving the bicycles' designs and reducing the numbers of faults
- to increase output by 25% to make sure that retailers are supplied on time.

These changes would need a budget of £1.5 million for training, equipment and redundancy payments and the closure of the factory for a three-week period.

Willow's proposals received criticism. Some directors were concerned about the constraints on the company's ability to finance her plans. Others worried that the factory's operations would not cope with implementing Willow's changes.



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