

Please write clearly in	n block capitals.
Centre number	Candidate number
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		



	Se	ction A		Do not wr outside th box
	Answer all que	stions in this section.		
		Total for this section:	40 marks	
Tick (✓)	the box next to the correct answer for o	questions 01 to 04 .		
0 1	Consumer spending fell sharply in the description of the type of change cau	UK in 2020. Which of the following is the used by this fall in spending?	best	
			[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 vision2 planning for future events.3 reporting on the performance of the			
	Which of the above statements is or a			
	Willow of the above statements is of a	ic 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 whe	ether each is true or false.	Do not write outside the box
	Statement 1: A leader's role is transformation Statement 2: A leader's role is to minimise ris		
		[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 who	ether each is true or false.	
	Statement 1: The Tannenbaum and Schmidt of behaviours by leaders. Statement 2: The Tannenbaum and Schmidt the style of leadership used depends on the quant	leadership continuum recognises that	
	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 ▶



5	A business has a highly-skilled workforce. Explain why a leadership style tha the use of authority might not be suitable in this situation.	[3 marks]
6	Paul Ribes is the owner of a small business. Explain why Paul's use of reference might be very effective.	nt power



	Ŭ	
0 7	A business suffers from poor communication. Explain why this might make it difficult to implement a major strategic change successfully. [3 marks]	Do not write outside the box
		3
	Turn over for the next question	

Turn over ▶



0	8

Betony Ltd produces online games for sale to people aged over 18. Recently the company's external environment has changed significantly.

- The use of technology has increased rapidly amongst those aged under 18. As a result, time spent on the internet by children aged 12–15 has risen to three hours a day.
- The incomes of many families have fallen over the past two years. Parents with children in the 12–15 age group have reduced spending on non-essential items by 5%.
- Surveys show that advertising aimed at children puts parents under pressure to buy products that they cannot afford.

The directors of Betony Ltd are considering whether to sell a newly-created online game. The game is called *Adventure* and is designed for children aged 11–15. It involves an initial fee and various upgrades to the game that can be bought for further payments. *Adventure* needs a lot of advertising as it will be sold to a new target market. The directors eventually decide not to sell *Adventure*.

Jse the information and force field analysis to analyse why Betony Ltd's direction has to sell <i>Adventure</i> .	
	[9 marks



Turn over ▶



0	9
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Ficus Ltd is a highly profitable company. It employs fruit and vegetable pickers, normally needed for the summer months only. Farms throughout Lincolnshire pay the company for the services of these employees. Ficus Ltd provides mainly unskilled workers performing simple manual tasks. The company operates in the following ways.

- It uses zero-hour contracts. This means that its employees have working hours that can change each week.
- All employees, apart from a few managers, are paid the minimum wage per hour. They receive very low pay.
- Employees normally work alone and do the same job each day. Ficus Ltd's supervisors watch employees closely and always tell them what to do.
- Most communication is through supervisors who drive the employees to the farms. Employees are not able to speak to the company's managers.
- Employees sometimes do not have the necessary equipment and time to complete jobs.

Banyan, the company's manager, is concerned that his employees are demotivated and that their performance at work is suffering as a result.

Use the information, and relevant motivation theory, to analyse

- one financial method and
- one non-financial method

which banyan might use to improve the motivation of Ficus Ltd's employees.	[9 marks]



Turn over ▶

9



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Bellis Ltd carries out scientific research for other businesses. For example, it recently developed light-weight, environmentally-friendly packaging for a major UK food manufacturer. Bellis Ltd employs 750 people working in cross-functional teams. Most of its employees are highly qualified and use their scientific skills to develop solutions to other businesses' problems. Having an effective workforce is a vital method of attracting customers.

In 2020 the company replaced its hierarchical organisational structure with a matrix structure. The company set itself two targets for its organisational performance as a result of this change.

- To attract more customers.
- To increase the level of employee motivation and performance at work.

Daisy is a director at Bellis Ltd. She thought that using a matrix structure had been successful. "I think that our employees were very frustrated with the old hierarchical structure. They are highly skilled and it limited the opportunities they had to use their talents. The new organisational structure has definitely enabled us to meet our organisational performance targets."

Use the information to analyse why the decision to use a matrix organi shelped Bellis Ltd to meet its organisational performance targets.	
	[9 marks



Turn over ▶

9



Section B

Answer the question in this section.

Total for this section: 20 marks

Read **Item A** and answer question 1 1

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.



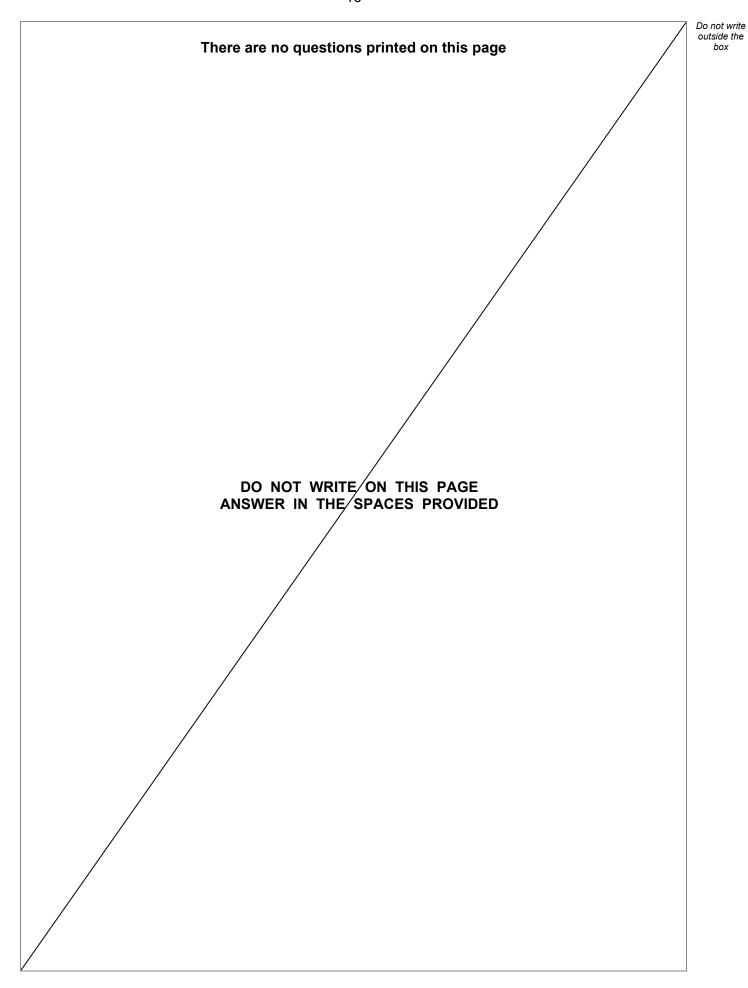
1 1	Considering the information in Item A , evaluate the extent to which Willow's us empowerment , given the constraints on SCL, will allow this organisational ch implemented successfully.	e of ange to be
		[20 marks]







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END OF QUESTIONS	





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Question number	Additional page, if required. Write the question numbers in the left-hand margin.



Question number	Additional page, if required. Write the question numbers in the left-hand margin.



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