



**A-level**  
**BUSINESS**

**Paper 2 Business 2**  
**7132/2**

**Source Material for use in answering  
Question 1, Question 2 and Question 3.**

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**Read the information provided on pages 2 to 7, and then answer the questions in the question paper.**

## **AJS plc**

**AJS plc is a manufacturer of non-recyclable packaging. This packaging is widely used by takeaway food outlets. AJS plc plans to invest £500 000 in new technology to increase capacity and make its factory more capital intensive.**

## APPENDIX A

**Data on proposed investment (produced by AJS plc's operations manager)**

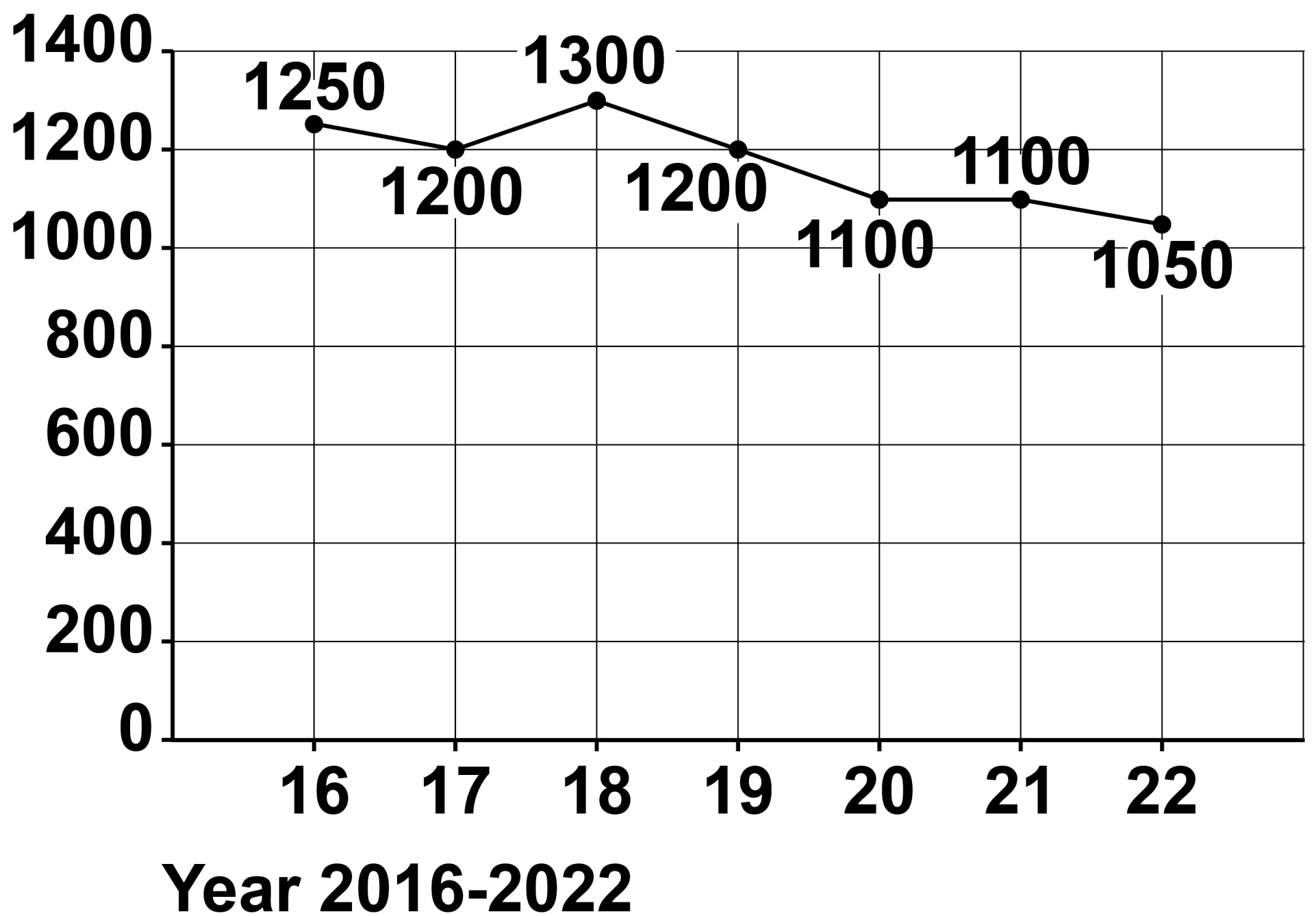
<b>YEAR</b>	<b>ANNUAL NET CASH FLOW £000s</b>	<b>DISCOUNT FACTOR (10%)</b>
<b>0</b>	<b>(500)</b>	<b>1.00</b>
<b>1</b>	<b>(50)</b>	<b>0.91</b>
<b>2</b>	<b>250</b>	<b>0.83</b>
<b>3</b>	<b>600</b>	<b>0.75</b>

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## APPENDIX B

### UK market for non-recyclable takeaway food packaging

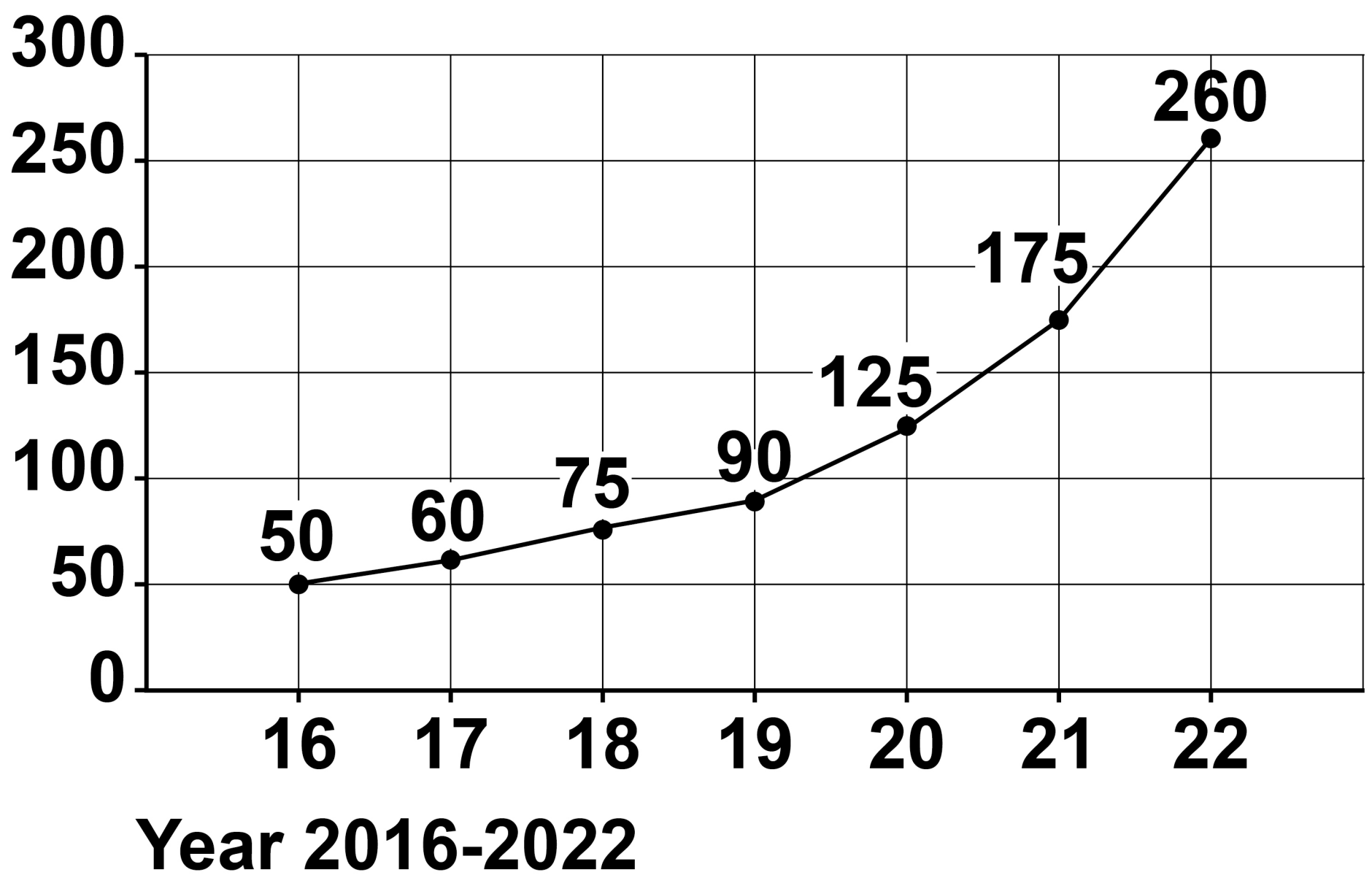
Average monthly sales (000 units)



## APPENDIX C

### UK market for recyclable takeaway food packaging

Average monthly sales (000 units)



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## APPENDIX D

### Selected Human Resource data 2022

	<b>AJS plc</b>	<b>INDUSTRY AVERAGE</b>
<b>Average salary</b>	<b>£22 000</b>	<b>£26 000</b>
<b>Salary costs as a percentage of turnover (%)</b>	<b>40</b>	<b>35</b>
<b>Labour turnover (%)</b>	<b>15</b>	<b>4</b>
<b>Working days lost through industrial action</b>	<b>25</b>	<b>5</b>
<b>Average number of applicants for vacancies</b>	<b>14</b>	<b>55</b>

## APPENDIX E

### Selected Financial data for AJS plc

	2022
<b>Current assets</b>	<b>£550 000</b>
<b>Current liabilities</b>	<b>£270 000</b>
<b>Non-current liabilities</b>	<b>£4m</b>
<b>Operating profit</b>	<b>£3m</b>
<b>Gearing</b>	<b>22%</b>
<b>Change in the share price of AJS plc over the year</b>	<b>–15%</b>
<b>Change in the share price of the top 100 UK companies over the year</b>	<b>+8%</b>

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**Read the information provided on pages 8 to 10, and then answer the questions in the question paper.**

## **HOMEWORKING**

**Homeworking (or teleworking) is the action of working from home, using the Internet, email and the telephone to link the employee and the business remotely.**

**The number of people working from home has been rising steadily for several years as communications technology has improved.**



**TABLE 1    UK labour market data**

	<b>2019</b>	<b>2020</b>
<b>Number of people in employment (millions)</b>	<b>32.6</b>	<b>32.5</b>
<b>Number of people working at least partly from home (millions)</b>	<b>8.7</b>	

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**Some businesses now adopt homeworking as the normal practice. For example, several financial institutions have reduced the amount of office space they own or rent in city centres. The wider impact of the change has been seen through fewer commuting journeys.**

**There have been some concerns over increased homeworking due to a reduction in face-to-face communication between employees. There has also been a decline in sales for businesses, such as coffee shops, that rely on office staff as customers.**

**Some sectors, such as transportation and wholesale, provide few opportunities for people to work from home. Other sectors, such as IT, finance and insurance, provide more homeworking opportunities to staff.**

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**Read the information provided on pages 12 to 14, and then answer the questions in the question paper.**

## **SIMPLY BAKE PLC**

**Palm oil is a cheap oil ingredient used in the manufacture of many everyday items. Production of palm oil often involves farmers clearing rainforests. The destruction of this habitat has led to the loss of many animal species, including half of the world's orangutans.**

**Powerful campaign groups with many members, such as Greenpeace and the World Wildlife Foundation, have highlighted the issue. As a result, consumers are increasingly aware of the environmental impact of using palm oil.**

**Simply Bake plc is a supplier of cakes to supermarkets, who then retail them as their 'own brand' products. For many years, palm oil has been an important ingredient in Simply Bake plc's products, allowing it to meet the demand for cheap food.**

**In 2018, a small campaign group, Action against Palm Oil (APO), criticised Simply Bake plc. APO had carried out a survey using a sample of 100 of its 400 members to represent the views of UK consumers. The survey found that 67% of respondents wanted the government to ban the use of palm oil.**

**High-profile media campaigns have increasingly drawn attention to the issue of palm oil production. By 2019,**

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**supermarkets had noticed increasing numbers of enquiries from their customers about palm oil and environmental damage.**

**Finding alternative ingredients is difficult and expensive, but in 2020 Simply Bake plc announced that it will have changed all its recipes to remove palm oil by 2025.**

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# WP/M/MK/Jun23/7132/2/E4

