



Rewarding Learning
ADVANCED SUBSIDIARY (AS)
General Certificate of Education

Business Studies

Assessment Unit AS 1
assessing
Introduction to Business



SBU11

[SBU11] Assessment

TIME

1 hour 30 minutes.

Assessment Level of Control:

Tick the relevant box (✓)

Controlled Conditions	
Other	

INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number on the Answer Booklet provided.
Answer **both** questions.

INFORMATION FOR CANDIDATES

The total mark for this paper is 80.

Quality of written communication will be assessed in Question 1 parts (c) and (d) and Question 2 parts (c) and (d).

Quantitative skills will be assessed in Question 1 parts (b)(i) and (ii).

Figures in brackets printed down the right-hand side of pages indicate the marks awarded to each question or part question.

Any workings should be clearly shown since marks may be awarded for partially correct solutions.

ADVICE TO CANDIDATES

You are advised to take account of the marks for each part question in allocating the available examination time.

Read the following information and answer the questions that follow.

1

SW Hotel

SW Hotel, owned by Robert Smith and Harry Wilson, trades as a partnership and is located in Belfast City Centre. The hotel was purchased for £5 million, financed with £500,000 from each partner and a bank mortgage of £4 million. The 25-year mortgage was authorised on the understanding that both partners gave personal undertakings that the mortgage would be repaid fully even if the hotel experiences financial difficulties. On advice from their solicitor they signed a Partnership Deed. The Deed states that both partners invest £500,000 each, each working partner will receive salaries of £50,000 per annum, and all future net profits and net losses will be divided equally between both partners.

SW Hotel carries out research into the NI hotel industry and its market on a regular basis. The research discovered that demand for pub, restaurant and hotel services is surging across Northern Ireland. In Belfast the opening of the extended Waterfront Hall added massively to its appeal to the meetings, conventions and exhibitions segments. This very important and high-spending tourism market will add materially to the demand for increased accommodation. Recently, Lonely Planet voted Belfast as the best place to visit and it is quietly evolving into one of the UK's most exciting cities to explore.

Further research into the NI hotel industry identified excerpts shown in **Table 1**.

Table 1: Excerpts from data on NI hotel industry

Excerpt details	2020	2019	2018
Average price paid by guests per room (Belfast)	£90.16	£77.95	£74.91
Average bedroom occupancy rate (Belfast)	83.5%	77.9%	77.5%

Harry manages the hotel and considers himself to have a paternalistic style of leadership. His aim is to develop trust and loyalty with his staff through acting on their needs and well-being, but he still requires his staff to carry out his demands without question. Harry promotes himself as a father figure to his staff, but takes a tough but fair approach to decision making. His paternalistic approach motivates his staff as they feel more valued and cared for, leading to lower staff absenteeism and greater productivity within the hotel.

SW Hotel, like all hotels, is struggling to establish what truly makes its hotel employees feel motivated and satisfied with their jobs. High employee turnover at SW Hotel is problematic. Harry is aware that some of his staff lack motivation due to the nature of hotel work, inadequate pay, low job security, limited training and unsociable working hours in the hotel.

To improve motivation, SW Hotel holds annual staff quality circles with its employees to consult with them on how well the hotel is performing, identify the strengths in performance and offer a plan for improving the weaknesses within the various departments in the hotel.

Harry is keenly aware that staff are more willing to work at hotels which offer better working conditions. To help achieve this, SW Hotel's kitchen offers a clean, air-conditioned environment with a well-lit kitchen and up-to-date equipment. Harry encourages employee participation, with ideas welcome from all staff to improve other areas of the hotel.

Harry believes that communication is key to the hotel's motivational programmes. The staff are made aware of ongoing events through its intranet and weekly bulletin on the hotel, giving all staff a greater sense of belonging to a team.

- (a) Explain how Harry's paternalistic leadership style impacts on the motivation of SW Hotel's staff. [4]
- (b) (i) Calculate the percentage change in the price paid per room from 2019 to 2020. You must show your workings and state your answer to the nearest whole number. [2]
- (ii) Analyse **two** factors which might influence the demand for hotel accommodation at SW Hotel. [6]
- (c) Analyse **three** non-monetary methods of motivation employed by SW Hotel to increase its staff productivity. [10]
- (d) Evaluate a partnership as an appropriate type of ownership of SW Hotel for both Robert Smith and Harry Wilson. [18]

Read the following information and answer the questions that follow.

2

Sarah's Restaurant

Sarah Bell, a sole trader, manages Sarah's Restaurant on Strand Road in Derry/Londonderry located near a main shopping centre which has a large footfall of customers. Sarah operates her restaurant as a social enterprise. The main aim for her restaurant is to maximise profits, but as a social enterprise she donates substantial amounts annually to local homeless charities including Shelter NI and the Simon Community Northern Ireland.

Sarah believes that by operating as a social enterprise she will make a difference in tackling local social problems, improving people's life chances and provide training and employment opportunities for those excluded from the workforce, such as the homeless.

The majority of Sarah's staff are part-time employees, especially university students, hired directly from the local university, and the homeless. The students like the idea of working flexible hours offered by Sarah.

Sarah believes that her employees are the public face of her restaurant and therefore must be thoroughly trained for their job. Training gives her staff confidence to know they are acting in the best interests of the restaurant. Sarah's staff training schemes include continuous on-the-job training and off-the-job training for all employees.

Sarah's on-the-job training includes role-playing interactions with customers, staff quizzes to test staff on their knowledge of the menu (and potential allergens in the recipes) and familiarity with any new digital technology such as entering orders onto their smart tablet. Even after her employees are proficient at their jobs, Sarah schedules regular on-the-job training sessions as she believes it's about keeping their skills sharp as change in the industry is constant. On-the-job training also keeps her employees up-to-date with changing food legislation.

Sarah implemented her Restaurant Quality Policy to provide assurance to her valued customers. The aim is for her restaurant to exceed customers' expectations by providing superior food quality and exceptional service. Quality is a vital measure for Sarah and it is critical to her restaurant's long-time survival and reputation.

The quality policy requires that her restaurant undergoes continuous standard internal checks and audits so that all meals leaving the kitchen are of the highest quality. If Sarah's quality checks are carried out poorly then the detrimental outcome is substandard meals. As part of the quality policy Sarah uses mystery shoppers to check a whole range of quality criteria, including level and speed of customer service, restaurant cleanliness and food quality.

Sarah makes sure her restaurant is operating as efficiently as possible and employs value-added services to improve its efficiency. Sarah invests in digital technology which touches every aspect of the dining experience for both the customer and restaurateur. Her restaurant is affected by the increasing popularity of blogs and social media. Customers are able to talk about their experience in her restaurant online immediately, which spreads priceless publicity or potentially harmful reviews.

Sarah has multiple long-range wireless terminals in her restaurant which allow her customers to pay their bill at their table. This value-added service allows her staff to cater for other guests while a customer is completing their payment.

Sarah's software allows for the integration of systems to allow kitchen and restaurant staff to place a customer's order on a smart tablet, as well as allowing the customer to make their payment on the same smart tablet. This additional value-added service removes the time delays and communication problems experienced in using past systems.

- (a) Explain the main feature of Sarah's Restaurant operating as a social enterprise. [4]
- (b) Analyse **two** on-the-job training methods that Sarah uses to develop her staff. [8]
- (c) Analyse **three** of Sarah's approaches to adding value aimed at improving her restaurant's efficiency. [10]
- (d) Evaluate Sarah's need for a quality policy to ensure the long-term survival of her restaurant. [18]

THIS IS THE END OF THE QUESTION PAPER

Sources

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