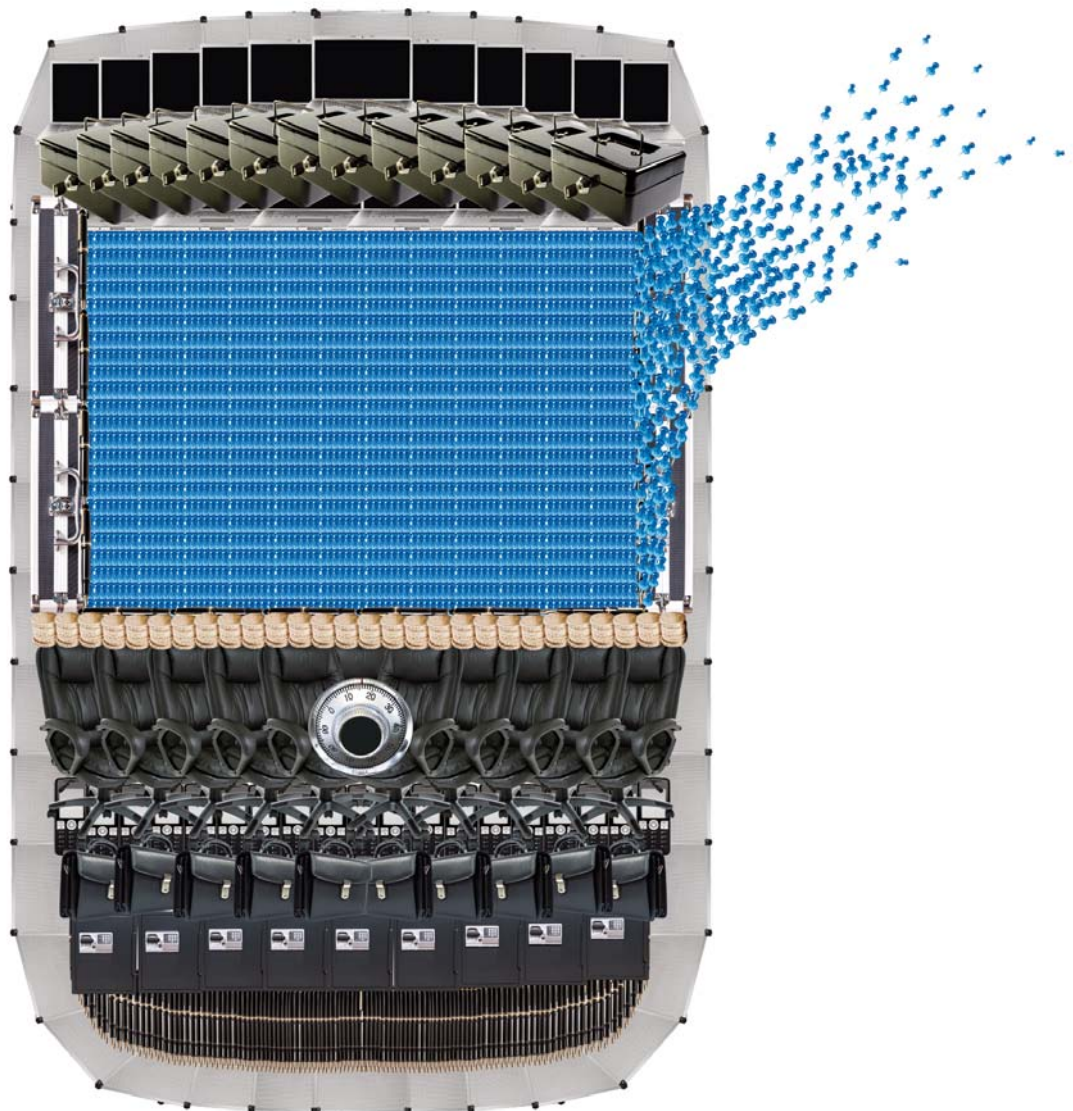


SPECIMEN PAPER

UNIT 2 - BUSINESS COMMUNICATION AND ADMINISTRATION



Centre Number						Candidate Number				
Surname										
Other Names										
Candidate Signature										

For Examiner's Use	
Examiner's Initials	
Question	Mark
1	
2	
3	
TOTAL	



Level 3 Diploma Principal Learning
Specimen Paper

Business, Administration and Finance Diploma

BAF3U2

Unit 2 Business communication and administration

For this paper you must have:

- appropriate computer hardware and software
- a stationery folder (enclosed)
- 8 sheets of A4 plain paper.

You may use a dictionary and a calculator.

Time allowed

- 2 hours

Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- You should put your name, Centre Number and Candidate Name and Number (preferably as a header or footer) on each practical task that you are requested to print.
- Answer all questions.
- You must answer the questions in the space provided or on the plain A4 paper as appropriate. Answers written in margins or on blank pages will not be marked.
- Do all rough work in this book. Cross through any work you do not want to be marked.

Information

- The maximum mark for this paper is 90.
- The marks for questions are shown in brackets.
- You will be told the arrangements for printing at your Centre.
- No alterations to the text or layout may be made after the 2 hours has expired.
- You may ask for more A4 plain paper if you require it.

BAF3U2

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**DO NOT WRITE ON THIS PAGE
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OR ON THE PLAIN PAPER AS APPROPRIATE**

Answer all questions in the spaces provided or on the plain A4 paper as appropriate.

Read the following Background Material and then answer the questions that follow.

Dress for Fun (pre-issued)



Three years ago, after attempting to buy costumes for a birthday party, Sophie became frustrated by the lack of choice and availability of children's fancy dress in her local area. After doing some research, Sophie realised that there was a real market opportunity to sell children's fancy dress and party accessories. She found suppliers who would be willing to supply her, and rented a small shop in Leeds where she could start the business. *Dress for Fun* was born! The product range that Sophie hoped to stock can be seen on the following websites: www.a2z-kids.co.uk and www.blushfashions.com

Business was soon booming, which was partly due to the products she stocked, but also to Sophie's enthusiasm for the business, her product knowledge and her commitment to customer satisfaction. As a sole trader, Sophie managed all aspects of the business in addition to working in the shop when she had time. Sophie used an accountant to manage the business' finances and to advise her about the business. The high volume of business allowed Sophie to employ two full-time and two part-time sales staff. They worked well as a team and became so reliable that Sophie was able to spend less time in the shop and concentrate more on planning for the future.

The success of the business led to Sophie opening a new shop in Harrogate. As she needed to spend a lot of time at this shop establishing the business and training staff, she had less time to spend at the Leeds shop dealing with the administration. She relied increasingly on her Leeds staff to do this, even though they had received little training in running Sophie's administrative systems. Sophie only realised there was a problem when she received a call from the Leeds shop telling her that the Halloween stock had not arrived because previous invoices were unpaid.

Sophie realised that she needed urgently to improve the administration and management of her business otherwise her plans for growth would be seriously damaged.

Pre-examination Research Tasks

- 1 Investigate the importance of administration and communication for small businesses experiencing growth.
- 2 Investigate the purpose of meetings and the administrative process of organising and implementing effective meetings.
- 3 Investigate SWOT analysis and SMART techniques and how small businesses can use them.

Total for this question: 30 marks

- 1** Read **Item A** and then answer the tasks that follow.

Item A

Employing an administrator

Sophie's accountant has pointed out that her business is losing money because her administration is poor. The late payment of invoices has meant that the business is losing out on cash discounts for prompt payment and is sometimes incurring charges for late payment. In some cases, customer orders for costumes have been placed too late with the suppliers and customers have complained. At other times, stock of popular items has run out, disappointing customers and reducing additional sales for the business. Staff have also complained that overtime payments were not being included in their salaries.

The accountant has recommended that Sophie employs a full time administrator to sort out these problems.

Sophie decides to advertise this post in the local newspaper.

- 1 (a) (i) Open the file **JOB ADVERTISEMENT**.
- 1 (a) (ii) Format the text provided to produce an advertisement for the post of administrator at *Dress for Fun*. The advertisement should be suitable for a local newspaper and be clearly set out with appropriate fonts and emphasis and include the logo provided. The advertisement must also include brief details of **three** functions the administrator would perform at *Dress for Fun*. (10 marks)
- 1 (a) (iii) Insert your name and centre and candidate number into the header of the document.
- 1 (a) (iv) Save the file and print it.
- 1 (b) As part of the selection process, Sophie has devised three tasks for the applicants to do:
- complete a purchase order
 - draft a response to a customer's letter
 - write a memo to Sophie.
- 1 (b) (i) Open the file **PURCHASE ORDER**.
- 1 (b) (ii) Complete the purchase order to Party Accessories Ltd using the following items:
- Catalogue No 0098: 10 boxes of party invitations; box price is £5.50
 - Catalogue No 0988: 25 boxes of birthday candles; box price is £1.25.
- 1 (b) (iii) Add formulae into the Amount and Total cells so that the purchase order totals correctly. (5 marks)
- 1 (b) (iv) Insert your name and centre and candidate number into the header of the document.
- 1 (b) (v) Save the file as **PURCHASE ORDER** and print **two** copies, one showing the figures, and one showing the formulae you have used.

Question 1 continues on the next page

- 1 (c) Sophie has received the following letter from a customer.

Cannockbury School
The Close
Headingly
Leeds
LS12 5TH

5 January 2010

The Manager
Dress for Fun
23 Swan Lane
Leeds
LS3 5TR

Dear Sir/Madam

I am writing to complain about the very poor service we received at your Leeds shop recently.

I had ordered Lion King costumes for a school production and was assured that they would be ready two days before the dress rehearsal. When I came to pick them up, the assistant had no record of my order or my deposit. As you can imagine, I was very angry. The assistant promised to double-check and telephone me later that day. I never received a phone call, so I returned to the shop the following day. The same assistant was there and was pleased to inform me the costumes were in. However, on checking them I found they were for Snow White and the Seven Dwarfs! Fortunately, I was able to find another company locally who could supply the costumes in time.

I am very disappointed with the service I received at Dress for Fun particularly when you have offered such a good service in the past and I am still waiting for the return of my deposit of £25.

I look forward to hearing from you.

Yours faithfully

J. Hennessy (Mrs)
Head of Cannockbury School

- 1 (c) (i) Open the file called **LETTER**.
- 1 (c) (ii) Write a response to the letter of complaint from Mrs Hennessy. You should use an appropriate format for your reply. (7 marks)
- 1 (c) (iii) Insert your name and centre and candidate number into the header of the document.
- 1 (c) (iv) Save the file and print it.

1 (d) Open the file **MEMO**.

1 (d) (i) Sophie is concerned that the problems experienced by Mrs Hennessy could occur again. Write a memo to Sophie suggesting what action should be taken to prevent the problems mentioned in the letter from occurring again.

(8 marks)

1 (d) (ii) Insert your name and centre and candidate number into the header of the document.

1 (d) (iii) Save the file and print it.

Turn over for the next question

Total for this question: 30 marks

2 Read **Item B** and then answer the questions that follow.

Item B

Problems at the Leeds shop

After a busy day interviewing, Sophie appointed Shamah as the administrator of the Leeds shop. On her first day at the shop, Shamah soon realised there were major administration problems.

- Mail had been stored in piles under the computer desk. This included unanswered letters from customers and suppliers.
- Till receipts had not been stored or passed to the accountant.
- A number of invoices remained unpaid but there was no sign of the purchase order forms and delivery notes to check them against.
- There was too much stock of some lines and too little of popular stock.

She was soon aware that staff at the shop were under great pressure. Staff were aware of the problems but did not understand Sophie's administration system and were too busy serving customers to deal with them. To make matters worse, Sophie was hard to contact and when she came to the shop she tended to blame the staff for the problems. As a result, two of the staff were threatening to leave. Shamah has contacted Sophie with these problems and recommended she calls a meeting for all staff so these problems can be resolved as soon as possible.

2 (a) Sophie agrees to call a meeting at the Leeds shop and asks Shamah to prepare an agenda for the meeting.

**Dress for Fun: Staff Meeting
Monday 1 February 2010
Leeds Shop
9am**

Agenda

Apologies for Absence

Minutes of the Last Meeting

Matters Arising

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Any Other Business

Date, Time and Place for the next Staff Meeting

2 (a) (i) Explain **two** advantages of having an agenda for this meeting.

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(5 marks)

2 (a) (ii) Using **Item B**, identify **three** key issues which should be included as agenda items for the meeting and list them below in order of priority.

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(3 marks)

Question 2 continues on the next page

2 (a) (iii) Give reasons for the order of your three agenda items.

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(6 marks)

2 (b) Recommend an effective method of notifying the staff of this meeting and give reasons for your choice.

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(4 marks)

Total for this question: 30 marks

3 Read **Item C** and then answer the questions that follow.

Item C

Harrogate and beyond

Having resolved the problems at Leeds Sophie can concentrate on developing the Harrogate shop. The demand for fancy dress, especially for children's parties, is growing strongly and she has appointed Barry to manage the shop. He has developed an excellent knowledge of *Dress for Fun's* products. Sophie is anxious to make the shop more profitable by expanding the sale of accessories for fancy dress and children's parties (eg masks, wigs, party invitations, balloons) where there is a high mark up. She wants profits at the Harrogate shop to increase by 10% in the coming year.

Barry manages two members of staff in the shop. He is keen for them to increase sales of accessories when customers are buying costumes. Barry has decided to set the staff SMART objectives as part of a bonus scheme which he hopes will raise the performance of the business.

At a recent meeting of Business Link, Sophie met Clara, who runs a small catering company in Harrogate. Sophie is considering forming a partnership with Clara to offer a bespoke service for children parties so food, fancy dress and accessories can be supplied together. Sophie's accountant suggests that she conducts a SWOT analysis of her business to help her to clarify her objectives.

Strengths

- Increasing sales and high level of customer service.
- Excellent staff who are highly committed to the business and knowledgeable about the products.

Weaknesses

- Dependent on a local market.
- Limited finance for expansion.

Opportunities

- Take advantage of increased computer ownership/internet access by establishing a website to promote sales.
- Form a partnership with another business, like Clara's, to diversify the business, eg catering, entertainment.

Threats

- Worsening economic climate reducing customer spending.
- Increase in competition from supermarket chains and websites.

3 (a) (i) What is meant by a SMART objective?

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(2 marks)

3 (a) (ii) Suggest **three** SMART objectives Barry could set for his staff.

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(6 marks)

Question 3 continues on the next page

3 (a) (iii) Explain how Barry could monitor his staff's performance in achieving **one** of these objectives and explain **one** problem that might be encountered.

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(4 marks)

3 (b) Sophie attended a Business Link meeting to network with people in the local business community. Explain **three** benefits of networking for a business person like Sophie.

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(6 marks)

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