

AQA
Business Studies
Units 2 and 3
Case Study for June 2005
Chinatown

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Introduction

These resources are aimed at helping you to get to grips with the AQA Business Studies Case Study for the June 2005 exam for Units 2 and 3. It has been prepared in the form of a dialogue between Jack Wei and an interviewer. This approach allows us to take all of the issues that arise from the case and give Jack's point of view (as we see it anyway!). This dialogue is entirely fictional since Jack doesn't exist and neither does the interviewer.

There will be six interviews overall: one for each section of the case study. The titles of each interview will be

- ◇ The Beginning
- ◇ Great Leap forward
- ◇ From tertiary to secondary
- ◇ Making it happen
- ◇ Running the business
- ◇ Another step forward?

The interviews will be released at weekly intervals from now on with the first interview, the beginning, being released on 28 March 2005.

The case itself is the copyright of the AQA Board and can be downloaded free of charge from this address: <http://www.aqa.org.uk/qual/gceasa/qp-ms/AQA-BUS23-W-PM-Jun05.pdf>

We are using the case study as the basis of all of the interviews but are then adding our analysis of the case plus a wide variety of additional materials that we feel are appropriate for a full analysis of it.

The Examination Itself: its likely structure and possible questions

Question spotting is both a disease and a smart thing to do!

We would all like perfect knowledge or enough information to be able to make an informed assessment as to which questions or subject areas might appear on an up and coming examination.

This short file is concerned with the likely format of the June 2005 Units 2 and 3 exam.

Based on the last two case study based examinations, it seems fairly certain that the breakdown of the questions will be as follows:

Question number	Actual		Predictions
	June 2005	January 2005	June 2005
	ScrewLoose Ltd	Sounds Perfect Ltd	Chinatown
1	6 marks	6 marks	6 marks
2	6	6	6
3	15	15	15
4	8	8	8
5	15	15	15
Bonus	3	3	3
Total	53	53	53

Now, that wasn't difficult, was it! However, the key point that has already emerged from this file is that whatever else a candidate has to do, it isn't much!

The duration of the examination is just one hour so the time allocated to each question, based on the above analysis is:

Minutes	Predictions
Question number	June 2005
1	6.6
2	6.6
3	16.5
4	8.8
5	16.5
Total	55.0

Notes:

- total minutes is 55, allowing 5 minutes reading and reviewing time;
- no time is allocated to the 3 bonus marks as they will come with good and careful work

TRY to stick to these timings, whatever the topic of the question, deal with it in the time allowed and then move along. **Be sensible**, however: if there's a question you simply cannot do, it is worthwhile using some of the time that you would otherwise allocate to that question on perfecting your other answers.

Don't waste any of your time.

Topics	Actual		Predictions
Question number	June 2005	January 2005	June 2005
	ScrewLoose Ltd	Sounds Perfect Ltd	Chinatown
1	benefits of off the job training	use of patents and their benefit	There are no real patterns here. More than that, some of the topics chosen for <i>ScrewLoose</i> and <i>Sounds Perfect</i> have come from obscure parts of the syllabus ... expect the same again
2	problems with under utilisation of capacity	data analysis	
3	motivation	economic trend analysis	
4	organisational structure	company objectives	
5	stock management	comparison of strategies A and B	

Take a look at Chris's section F Another Step Forward file to see his detailed breakdown of the topics in just in Section A of this case: in summary form they are

	We know....	We know from textbooks.....	We could be asked ...
1	<i>Ling quickly worked her way up</i>	<i>About internal promotion. About motivation</i>	??
2	<i>The kitchen was hot and noisy</i>	<i>About the impact of the working environment on motivation (Herzberg)</i>	??
3	<i>The Head Chef was a bully</i>	<i>All about leadership and management style</i>	??
4	<i>Jack was saving for his own business</i>	<i>The problems of starting up a business</i>	??
5	<i>Jack has a site in mind in Lisle Street</i>	<i>Factors affecting location</i>	??
6	<i>Jack borrowed money at an interest rate of 15%</i>	<i>Factors affecting interest rate: risk. Impact of interest rate of cash flow</i>	??
7	<i>Jack Lisle will be trading name</i>	<i>Legislation about choosing a name</i>	??
8	<i>Jack was going to be a sole trader</i>	<i>Advantages/disadvantages of different types of business units All about limited liability Possible government help towards starting up</i>	??
9	<i>Ling stays in job to generate a secure income</i>	<i>The importance of finance for start ups</i>	??
10	<i>The kitchen had not been designed for rapid turnover</i>	<i>Importance of factory layout Healthy and Safety legislation about the workplace</i>	??
11	<i>Jack talked with staff about how to improve</i>	<i>Management style Suggestion schemes Participation as a motivator</i>	??
12	<i>A special crew came in</i>	<i>Division of labour Importance of planning</i>	??

13	<i>Jack pushed up the wages (prestige)</i>	<i>Scientific management: Taylor Prestige: best paid in town</i>	??
14	<i>Staff turnover low</i>	<i>Formulae for labour turnover Advantages/disadvantages of labour turnover Factors affecting labour turnover</i>	??

Examination Strategies

Before the examination, then, candidates need to

have read the case thoroughly and to have considered the points such as those in the table above carefully: this is a tall order as the examiner is, on the basis of a sample of two cases, unpredictable

Learn the vocabulary of the case: write out the key words and learn them, they will help; and then be prepared to use them in your answers as appropriate. Imagine that a question asked in the examinations is like this:

Using information provided by the case suggest possible solutions to the stock control problems at the company

There is **nothing worse** than reading something like this

Stock control is when you control stocks. Stock control is something that they do in the factory or in a warehouse or in a shop. Stock control is expensive and people stealing stock can mean that the accounts are wrong.

You have to stack things properly with stock control or they can fall over and break then you might have to throw things away and lose your profit.

when this is how you should be prepared to write, after following a relatively advanced course of study:

*There are several **solutions** to the **stock control problem** in the case, they include:*

*The case tells us that there was little control of stocks of component parts: well, get controlling! Kate saw that the problem was the **design of the company** not the product. ... the company had **grown organically** but **haphazardly** since 1991. **Organic means** that the company had grown by selling, investing, growing, selling, investing, growing ... **without** borrowing from outside and without raising money through shares from outsiders. Therefore, if the company had grown haphazardly, it's probably fair to say that its **systems** and **controls** have grown in a haphazard way too.*

*The case also tells us that there has been no **planning for growth**. The company grew but it seems that not all of its people grew with it. In addition, all **decision making** had been centralised so that no one was encouraged to think for themselves. Andy took all of the **decisions** but now that Kate had allowed people to start **thinking for themselves** problems started to appear: they couldn't cope. Such a decision making **structure** has had its impact on **aspects of management** such as stock control ...*

(These examples refer to the *Sounds Perfect Ltd* case study and not the *Chinatown* case study and you can see how business studies' jargon has been used in the second example to great effect.)

During the examination, candidates need to

be flexible: the questions can come from anywhere as there is no single theme or topic in cases like these so the examiner has *carte blanche* to cover any topic he wishes

Warning: the case is highly unrealistic

It should be clear from this case study that the picture it paints is highly unrealistic. Very few companies are born in the way that the case portrays and very few banks and major supermarkets would behave in the way portrayed in the case. Don't try to learn the lessons from the case: learn to be constructively critical of what has been discussed.

The format of our analysis has attempted to take this aspect into account at all times and has suggested some of the counter arguments to some of the possible criticisms.

Finally

Even if you think that a strong theme has emerged from your reading of the case, there is no guarantee that the examiner will focus on it. For example in the *ScrewLoose* case, the personality and style of the owner of the business was a very important feature of the case but not of the examination.