

Write your name here

Surname

Other names

Pearson Edexcel
Level 3 GCE

Centre Number

--	--	--	--	--	--

Candidate Number

--	--	--	--	--

Business

Advanced Subsidiary

Paper 2: Managing business activities

Time: 1 hour 30 minutes

You do not need any other materials.

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions.
- Answer the questions in the spaces provided
– *there may be more space than you need.*

Information

- The total mark for this paper is 80.
- The marks for **each** question are shown in brackets
– *use this as a guide as to how much time to spend on each question.*

Advice

- Read each question carefully before you start to answer it.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

PEARSON

SECTION A

Evidence A to G was pre-issued before the date of the examination.

Using ALL the evidence and your own knowledge, answer all six questions (total 30 marks).

Time allowed (35 minutes).

Additional Evidence H

Toyota to build electric cars with Tesla

Toyota has announced a surprise joint venture with Tesla Motors to design and build electric cars.

The deal marks a potentially massive shift in Toyota's long-term strategy, signalling that it may focus more actively on the next step for the "green" auto market as hybrid vehicles lose their appeal. 5

Tesla, a six-year-old American start-up company that is considered a pioneer in electric vehicles, has sold only 1 000 of its battery-powered cars each priced at \$100 000 (£70 000). The deal with Toyota could dramatically improve the prospects of Tesla's next project, the Model S, whose \$50 000 (£35 000) price tag will appeal to many more families. 10

The speed and eagerness with which the deal with Tesla was struck may signal an attack of nerves by Toyota, after its recent decisions to immediately recall faulty vehicles, experts said. It has not, traditionally, signed deals with small start-up companies.

(Source: adapted from an article by Leo Lewis, Asia Business Correspondent
21 May 2010, Times Online)



1 What is meant by the term 'Corporate Objective'?

.....

.....

.....

.....

.....

.....

.....

(Total for Question 1 = 2 marks)

2 What is meant by a business's 'Distinctive Capabilities'?

.....

.....

.....

.....

.....

.....

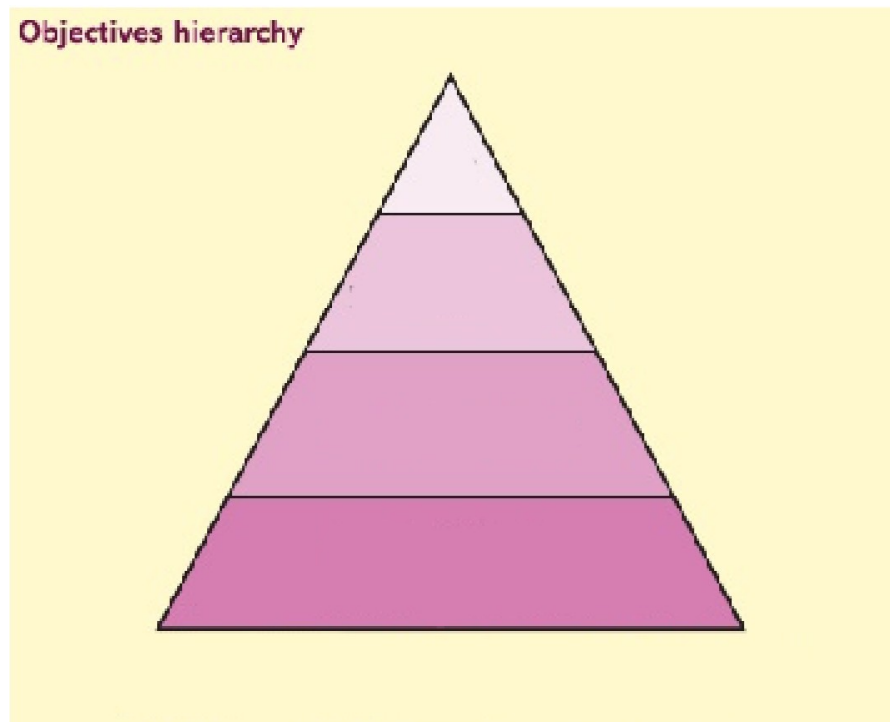
.....

(Total for Question 2 = 2 marks)

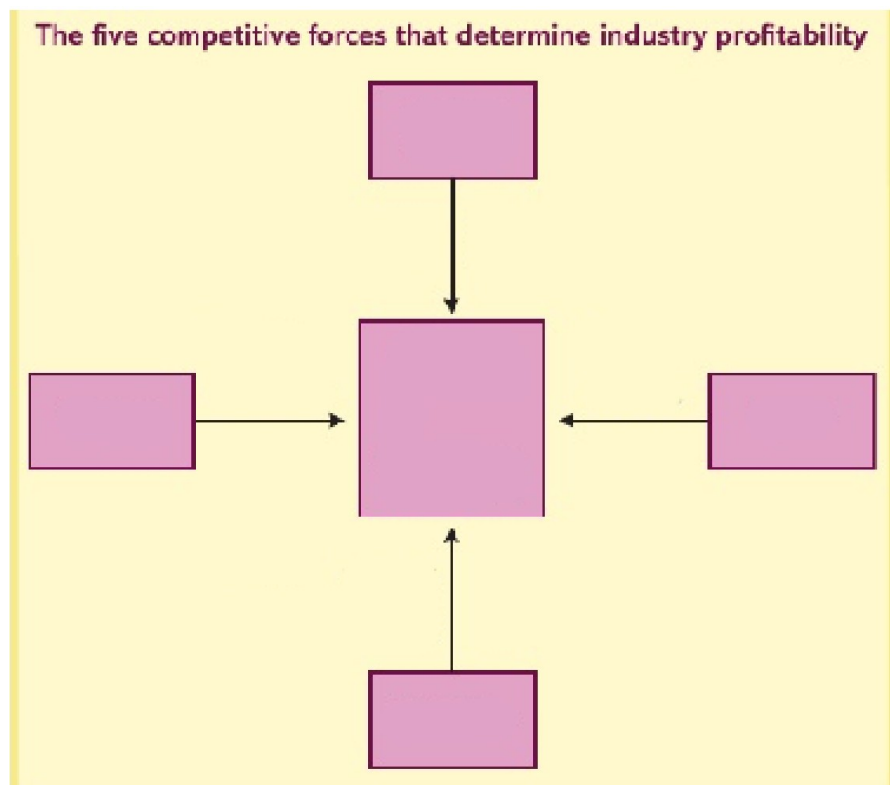


SECTION B: Knowledge check
10 marks

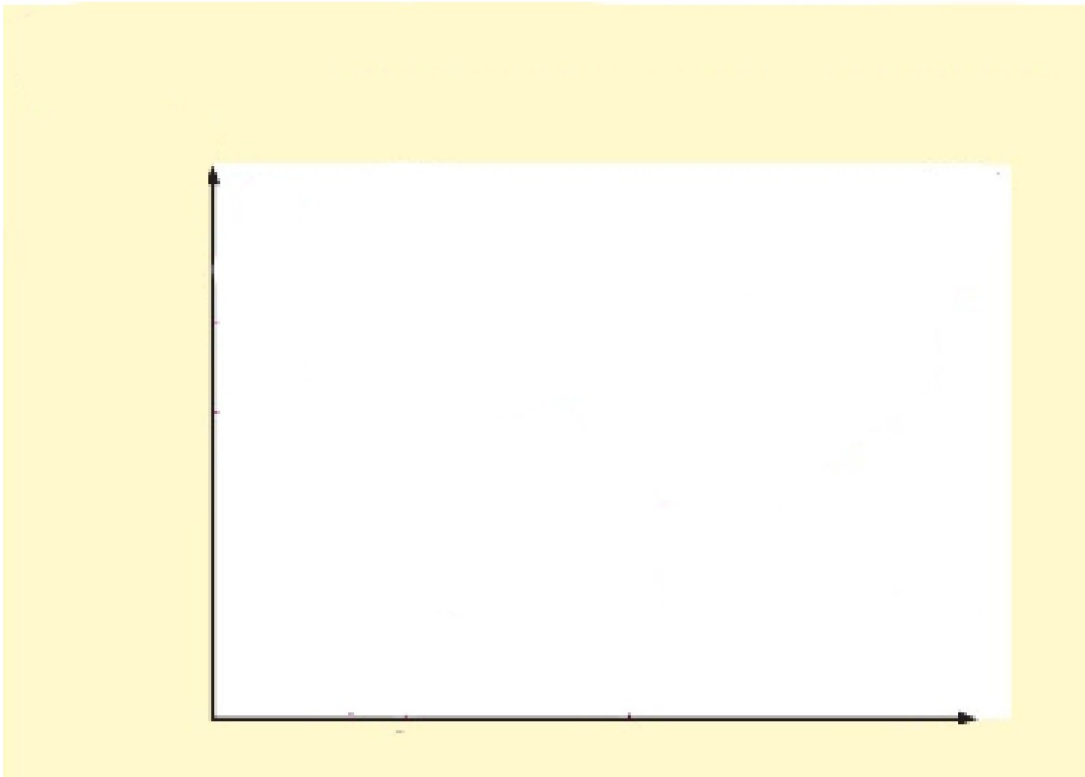
1) Fill in the **objectives hierarchy** chart. (2 marks)



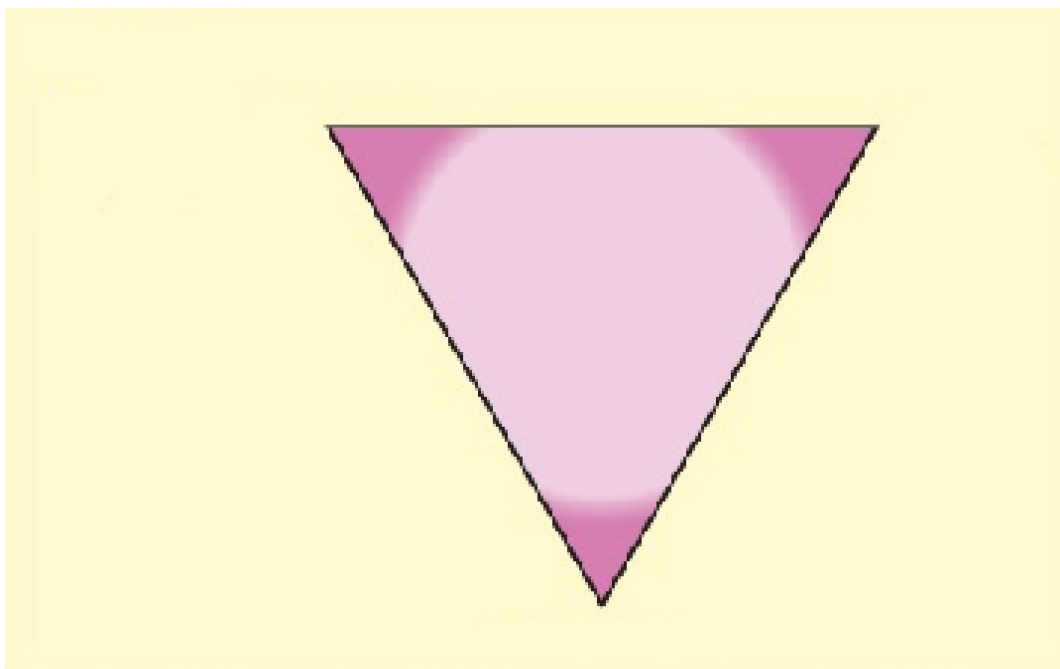
2) Fill in the **five competitive forces** that determine industry profitability. (2 marks)



3) Plot the **long-run average cost curve** and the show effect of **economies of scale**. (2 marks)



4) Complete **Porter's Strategic Matrix** (2 marks)



5) Fill in the details of the **Boston Matrix**. (2 marks)

