Oxford Cambridge and RSA

Thursday 6 June 2024 – Morning

A Level Business

H431/03 The global business environment

Time allowed: 2 hours

You must have:
- the Resource Booklet

You can use:
- a calculator

Please write clearly in black ink. **Do not write in the barcodes.**

Centre number | | | | | | Candidate number | | | | |

First name(s) _____

Last name _____

INSTRUCTIONS
- Use black ink.
- Write your answer to each question in the space provided. You can use extra paper if you need to, but you must clearly show your candidate number, the centre number and the question numbers.
- Answer **all** the questions.
- Use the Resource Booklet to answer all the questions.

INFORMATION
- The total mark for this paper is **80**.
- The marks for each question are shown in brackets **[ ]**.
- Quality of extended response will be assessed in questions marked with an asterisk (*).
- This document has **16** pages.

ADVICE
- Read each question carefully before you start your answer.

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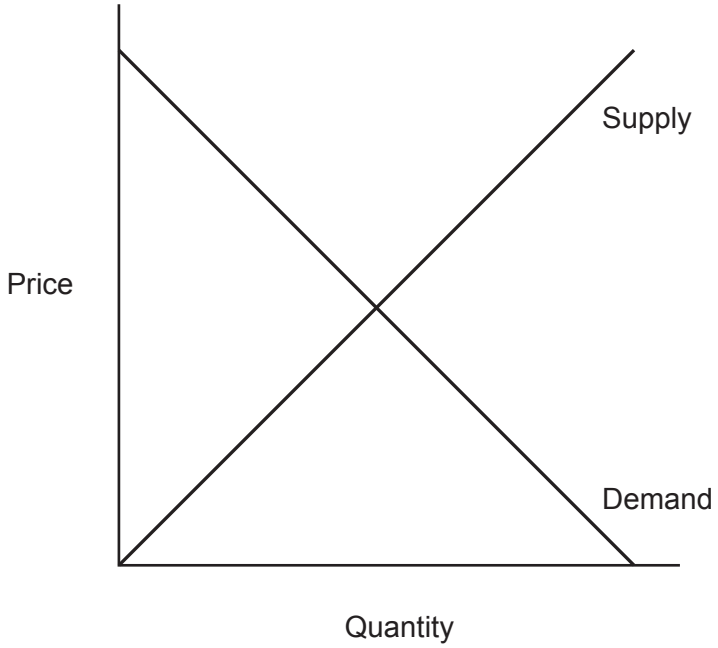
1 People are becoming more health conscious. (line 16)

Analyse the impact of this trend on demand **and** supply in Tropicana's market.

You may use the diagram in the space below as part of your answer, but it is not required to gain full marks. **[6]**



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2 Using the information in **Extract C**, calculate the price elasticity of demand for orange juice in 2017.

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..... **[2]**

3 State **two** factors that need to be addressed when using the McKinsey 7–S change management model.

1 .....

2 .....
[2]

4* Discuss problems Tropicana might face when managing its global logistics. **[20]**

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5 **Refer to Extract E.**
Explain **two** ways Tropicana could further improve its corporate social responsibility (CSR) profile.

1 .....

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2 .....

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[4]

6 **Refer to Extract G.**
Evaluate **one** way Tropicana may have used Ansoff's Matrix in its decision to launch Tropicana Crunch. **[10]**

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7 **Refer to Extract H.**
Explain **two** possible methods Tropicana could use to select seasonal staff.

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2 .....

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[4]

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8 Esmagamento de Suco (EDS), based in Brazil, owns a large number of orange farms and sells its produce in bulk to firms such as Tropicana. EDS's oranges go through a series of operations before they are transported.

EDS is considering investing in a new 'orange picker' – an important piece of production equipment.

Year	Net return (in Brazilian Reals)
0	(5 850 000)
1	1 800 000
2	2 100 000
3	2 100 000
4	2 100 000

(a) Calculate the ARR for the new orange picker over its anticipated 4-year life.

Show your workings.

[3]

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There are three orange picking seasons each year in EDS's region of Brazil – high, low, then middle – based on the number of oranges grown in that area.

The table below shows EDS's output of oranges since 2022.

Year	Season	Number of crates of oranges	Trend (3-period moving average)
2022	High	13 881	
	Low	7 894	11 003
	Middle	11 233	11 292
2023	High	14 750	
	Low	7 677	11 143
	Middle	11 002	11 000
2024	High	14 322	

(b) Calculate the variation for the high season in 2023.

Show your workings.

[3]

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In the high season, the number of oranges grown is at its peak and EDS believes that its picking operation currently operates at about 80% capacity utilisation. This means a 16-hour day operation, six days a week, with staff working eight-hour shifts. The seventh day is for cleaning and maintenance.

(c) Analyse **two** possible problems for EDS if it attempts to increase its high season capacity utilisation to 100%.

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9* Evaluate the extent to which the external environment is likely to affect the marketing activities of Tropicana. **[20]**

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END OF QUESTION PAPER

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