Write your name here Surname	Other na	mes
Edexcel GCE	Centre Number	Candidate Number
Business Studies Advanced Unit 4A: Making Business Decisions		
Wednesday 1 February 2 Time: 1 hour 30 minute	_	Paper Reference 6BS04/01
You must have: Insert containing all source n	naterial (enclosed)	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** the questions in Section A and Section B.
- Answer the questions in the spaces provided
   there may be more space than you need.
- You may use a calculator.

## 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.
- Quality of written communication will be taken into account in the marking of your response to Questions 7 (a) and 7 (b) in Section B. These questions are indicated with an asterisk\*
  - you should take particular care on these questions with your spelling, punctuation and grammar, as well as the clarity of expression.
- Candidates are expected to be familiar with Evidence A to G for this paper before the examination.

### **Advice**

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

Turn over ▶



#### **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.

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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'?	
	What is meant by a business's 'Distinctive Capabilities'?	(Total for Question 1 = 2 marks)
		(Total for Question 2 = 2 marks)



3	With reference to Additional Evidence H, explain the difference between a strategic decision and a tactical decision.
	(Total for Question 3 = 5 marks)

4	Explain <b>two</b> ways in which Toyota's 'Guiding Principles' (Evidence C) seem to conflict with the current problems of car safety faced by the company.	
	(Total for Question 4 = 6 marks)	
	(Total for Question 4 – o marks)	



5	Using Ansoff's Matrix, analyse Toyota's decision to enter into a joint venture with Tesla Motors (Additional Evidence H).	
	(Total for Question 5 = 6 marks)	

Some car dealerships in the USA are considering selling one of their Toyota models at a price below total cost in response to recent product recall problems. The lower price will still provide a **positive contribution** to the dealership's fixed costs. **6** Assess whether the dealership should go ahead with this decision. (Total for Question 6 = 9 marks) **TOTAL FOR SECTION A = 30 MARKS** 



## **SECTION B**

# **Decision-making report**

Read the following evidence carefully.

Using ALL the evidence and your own knowledge, answer both parts of the question (total 50 marks).

Time allowed (55 minutes).

<b>7</b> *(a) Evaluate the usefulness of business contingency planning to Toyota.	(20)





According to Toyota president Akio Toyoda:	
"We pursued growth over the speed at which we were able to develop our people and our organisation, and we should sincerely be mindful of that" (Evidence E)	
*(b) Assess the extent to which Toyota's growth may have contributed to its safety problems.	
	(30)







(Total for Question 7 = 50 marks)
TOTAL FOR SECTION B = 50 MARKS TOTAL FOR PAPER = 80 MARKS

