Level 2 Business concepts 2 (7540-284)

e-Quals
Assignment guide for Candidates
Assignment A

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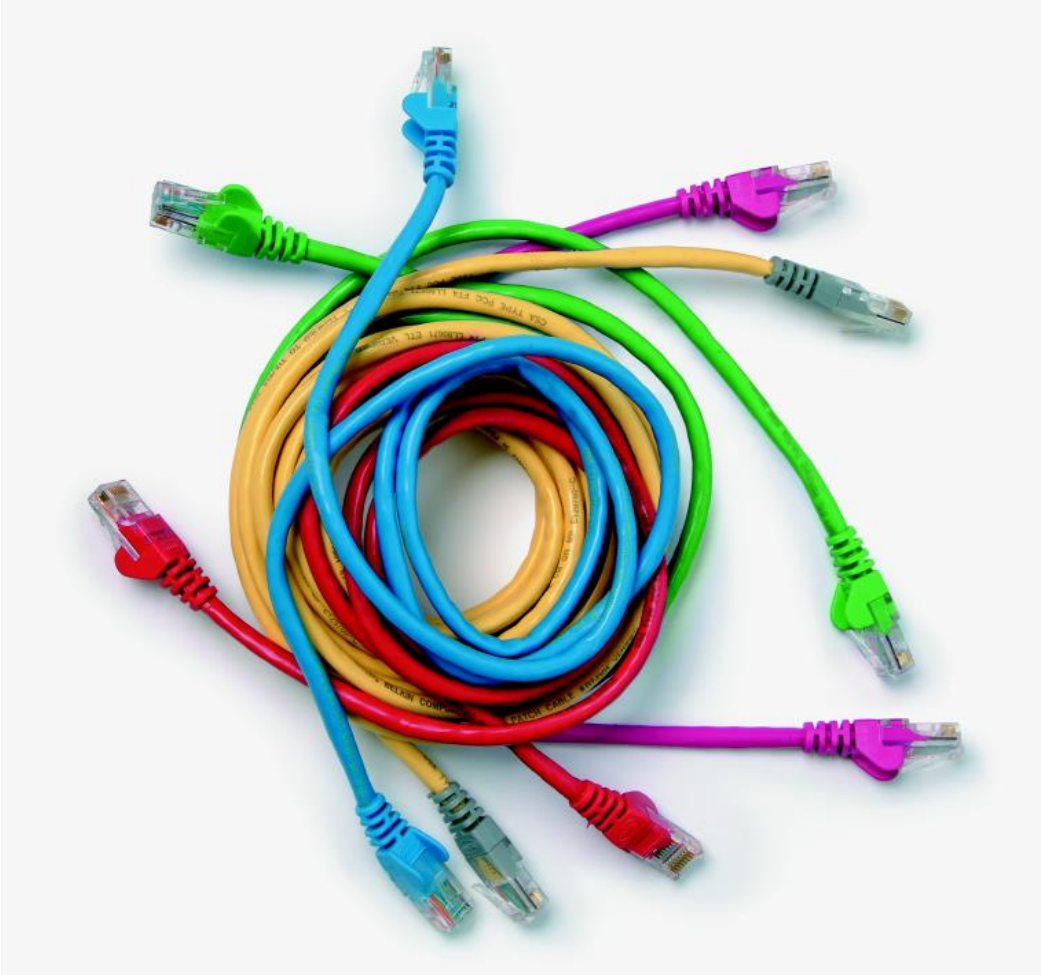

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Assignment B
Introduction – Information for Candidates

About this document
This assignment comprises all of the assessment Level 2 Business concepts 2 (7540-284)

Health and safety
You are asked to consider the importance of safe working practices at all times.

You are responsible for maintaining the safety of others as well as your own. Anyone behaving in an unsafe fashion will be stopped and a suitable warning given. You will **not** be allowed to continue with an assignment if you compromise any of the Health and Safety requirements. This may seem rather strict but, apart from the potentially unpleasant consequences, you must acquire the habits required for the workplace.

Time allowance
The recommended time allowance for this assignment is **one and a half hours**.

Level 2 Business concepts 2 (7540-284)
Candidate Instructions

Time allowance: 1½ hours

Assignment set up:

This assignment is made up of **two** tasks

- Task A – Define company structure and functions
- Task B – Perform a costs and benefits analysis

Scenario

You work as an office assistant for ToyWorld Ltd, a company that manufactures toys and employs 320 people.

The company had a turnover of 5 million in the previous year with a profit of £250,000 but sales have been declining in recent years. It is thought that this is due to the fact that the company's office administration is dependent on old and inefficient computers and software. Too much time is spent on paper-based tasks and not enough time on generating new sales and marketing the products.

At the moment the company has old PC computers with legacy software. The computers are not electronically connected so it is difficult to move data from one employee computer to another. An investigation has been done and the company have found that they can purchase, for £25,000, ten computers connected together via a network with three printers and a scanner and provide Internet access. The software required eg payroll, accounting, stock control, word processing, database etc would cost £6000. The cost of transferring the data from the old software to the new software would be £3000.

The office staff would be trained off-site in the use of the new computer systems and software. There are 10 office staff that would need 3 days training at a cost of £300 per person per day. It is estimated that if the new computer systems were implemented there would be an increase in sales of £40,000 a year and savings of £15,000 a year in labour costs. This saving in labour costs could be used in the future to increase the sales team to attract more customers.

The mission statement for the company is shown below:

To increase market share by 15% by selling a high quality range of new and innovative toys at a competitive price with 95% customer satisfaction.

You have been asked to perform some tasks by your manager.

Read all of the instructions carefully and complete the tasks in the order given.

Task A – Define company structure and objectives

1 The company is a private limited company. Write down **one** advantage and **one** disadvantage of a private limited company over a non-limited company.

2 The company is considering a reorganisation of responsibilities and you are required to

- draw a structure diagram to show the company structure as it is now
- give a brief description of the **four** main business functions identified in the structure diagram.

3 Use the mission statement in the scenario to give **four** SMART objectives for the company.

4 State **two** methods of ensuring that personal data held by the company complies with the Data Protection Act.

Task B – Costs and benefits analysis

1 Use the data given in the scenario to create a costs and benefits analysis table for the installation of the new office computer system and training for staff. The period over which the benefits are to be calculated is 12 months.

2 Calculate the return on investment (ROI) showing the formula you have used.

3 Identify the payback period showing the formula you have used.

When you have finished working:

- Sign each document above your name and label all removable storage media with your name.
- Hand all paperwork and removable storage media to your assessor.

If the assignment is taken over more than one period, all paperwork and removable media must be returned to the test supervisor at the end of each sitting.

End of assignment

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