

PB Bank

PB Bank is a public limited company. The bank has been trading successfully for 20 years. The Board of Directors wants to see the number of customers increasing; however, over the last 2 years the number of customers has remained the same. Should PB Bank try to expand by taking over another bank or should it try to attract more customers from its competitors? DOTT Bank is a smaller bank than PB Bank and could become a takeover target.

PB Bank is a large bank with 15 000 employees. The organisational structure is shown in Appendix 1. The Human Resources (HR) Director is responsible for internal communication. Some employees have complained that they often do not get told about important decisions. Some information is posted on the company website but some of this information is difficult to find.

PB Bank already offers online (Internet) banking and the Marketing Director thinks that mobile (cell) phone banking will become popular with customers. They used a questionnaire to find out the opinions of their customers (see Appendix 3).

An increasing number of PB customers are now only using online banking. PB needs to close either branch X or branch Y.

Branch X

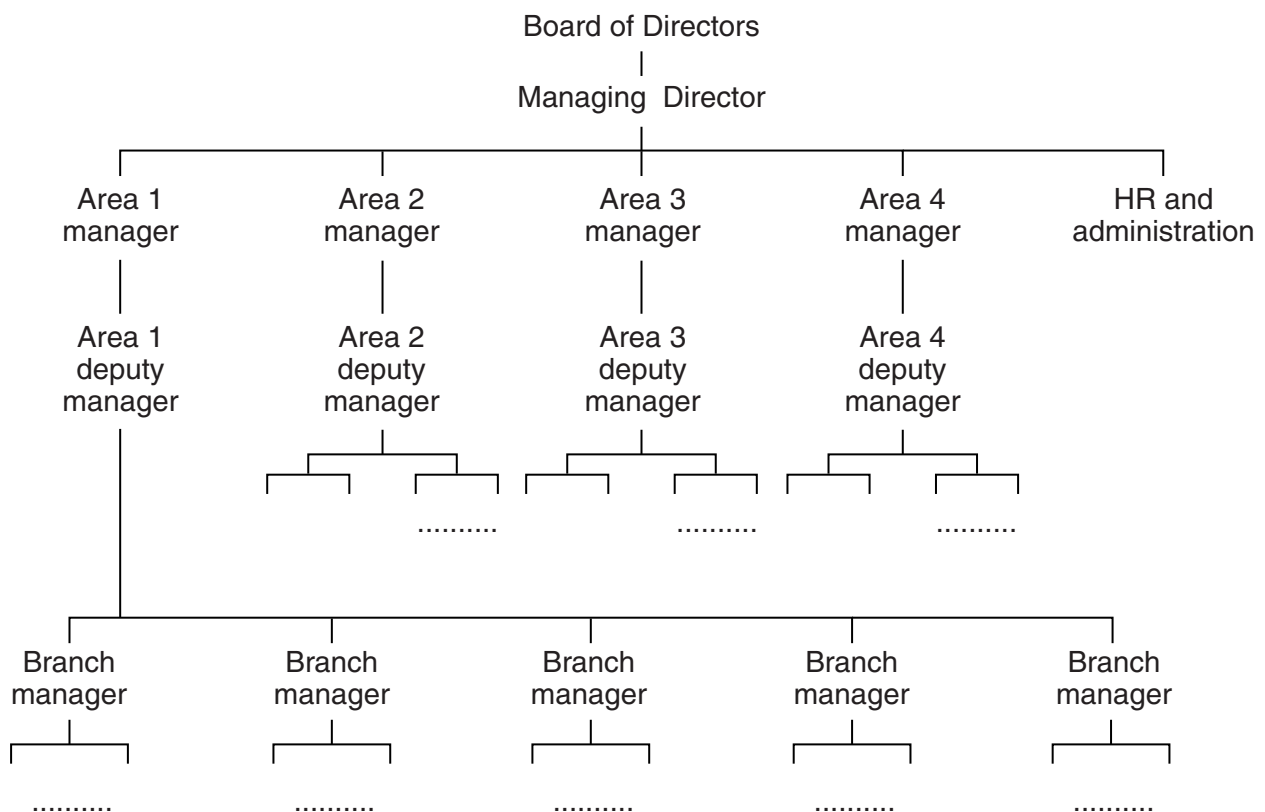
Located in a small town; used mainly by customers of the bank to deposit and withdraw money; no other banks nearby; the branch always has long queues of customers.

Branch Y

Located in the city centre; used mainly by tourists to change foreign currency; not many PB customers live nearby; near to several other bank's branches; the branch is busy only in the mornings.

Appendix 1

Extract from organisational structure of PB Bank



Appendix 2

Information about PB Bank and DOTT Bank in 2013

	PB Bank	DOTT Bank
Fixed assets	\$790m	\$320m
Current assets	\$120m	\$80m
Current liabilities	\$80m	\$100m
Capital employed	\$830m	\$300m
Net profit	\$83m	\$45m
Number of customers	3 000 000	1 000 000
Number of branches	1000	250

Appendix 3

Results from a questionnaire used on Monday 5 May 2014 in the main street of the city centre in the afternoon

People who completed the questionnaire:	
Age	Number
10–20	100
21–30	400
31–40	300
41–50	100
50 +	100
<hr/>	
<i>Do you have a bank account?</i>	
Yes	800
No	200
<hr/>	
<i>Do you have a mobile phone?</i>	
Yes	700
No	300
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<i>Would you like to be able to access your bank account details and carry out transactions using your mobile phone?</i>	
Yes	500
No	500

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Cambridge International Examinations
Cambridge Ordinary Level

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BUSINESS STUDIES

7115/21

Paper 2

October/November 2014

1 hour 45 minutes

Candidates answer on the Question Paper.

No Additional Materials are required.

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name on all the work you hand in.
Write in dark blue or black pen.
Do not use staples, paper clips, glue or correction fluid.
DO NOT WRITE IN ANY BARCODES.

Answer **all** questions.
The Insert contains the case study.
The businesses described in this question paper are entirely fictitious.

At the end of the examination, fasten all your work securely together.
The number of marks is given in brackets [] at the end of each question or part question.

This document consists of **11** printed pages, **1** blank page and **1** insert.

1 (a) Identify and explain **two** disadvantages to PB Bank of being a public limited company.

Disadvantage 1:

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Explanation:

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Disadvantage 2:

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Explanation:

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[8]

- 2 (a) Banking is a tertiary sector business. Identify **four** other types of tertiary sector businesses that PB Bank might use and explain what services they offer to PB Bank.

Type of tertiary sector business:

Explanation:

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Type of tertiary sector business:

Explanation:

.....

.....

Type of tertiary sector business:

Explanation:

.....

.....

Type of tertiary sector business:

Explanation:

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.....[8]

- 3 (a) Identify and explain **two** appropriate ways in which the results from the question ‘do you have a bank account?’ in Appendix 3 could be **presented**.

Way 1:

Explanation:
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Way 2:

Explanation:
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.....
.....[8]

- 4 (a) Identify and explain **four** reasons why the information in Appendix 3 may not be an accurate record of the views of all bank customers.

Reason 1:

Explanation:

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Reason 2:

Explanation:

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Reason 3:

Explanation:

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Reason 4:

Explanation:

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[8]

- 5 (a) Identify and explain **two** possible effects on DOTT Bank **employees** if DOTT Bank was taken over by PB Bank.

Effect 1:

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Explanation:

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Effect 2:

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Explanation:

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