**Evidence A - The Low Cost, No Frills Airline**

Ryanair (founded 1985) is Europe’s only ultra-low cost airline, operating more than 1,500 flights per day across 28 countries, connecting 178 destinations. Ryanair currently employs more than 8,500 people. In 2012–2013, passenger traffic grew by 5% to 79.3 million, revenues increased by 13% to €4.8 billion and profit was up 13% to €569 million.

In summer 2013, Ryanair added another 200 routes and seven new bases, including Marrakesh in Morocco. This should help the number of passengers to increase to 81.5 million in 2014.

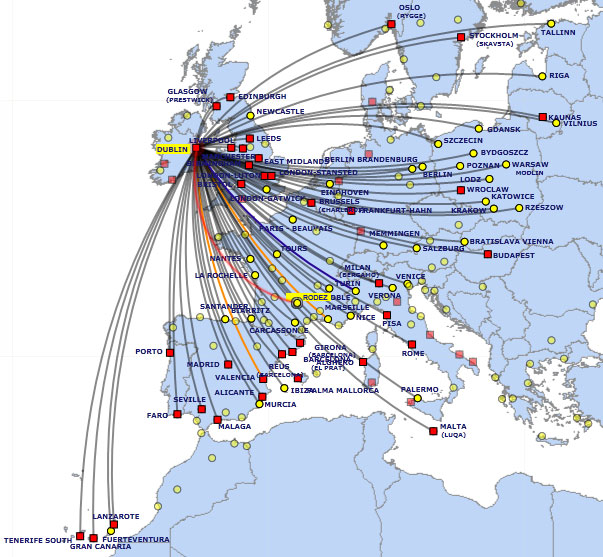
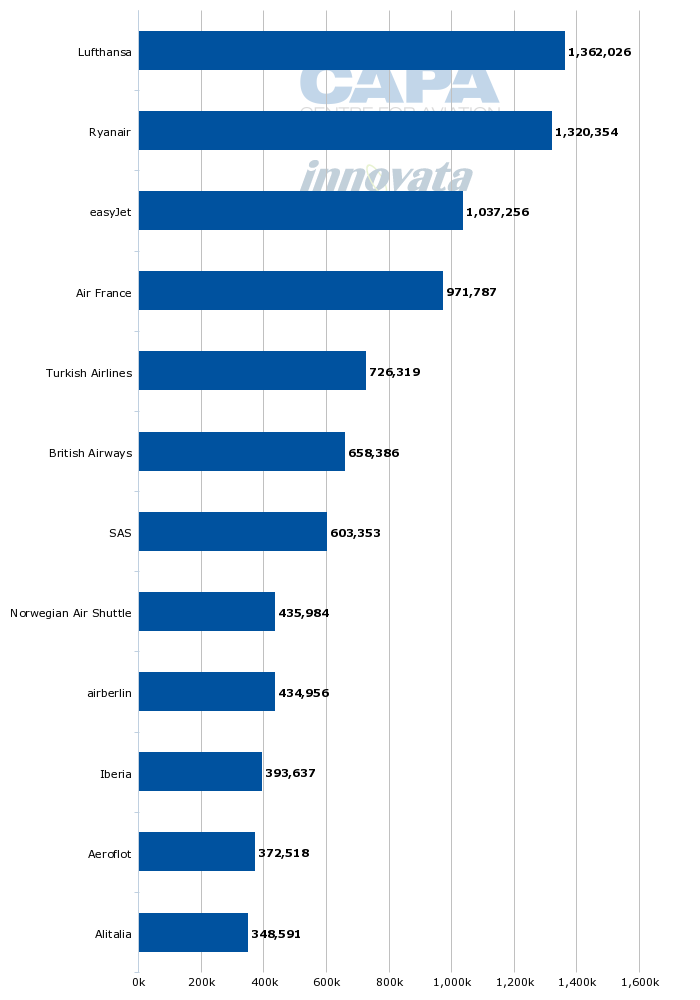
Although they still have the lowest fares in Europe, Ryanair’s average fares rose by 6% over the year. But the biggest revenue-earner came from a 20% jump in sales of additional services such as reserved seating, which brought in €1.06 billion – or 22% of total revenue.

**Evidence C - Low Cost but at a price…**

Ryanair’s cost per passenger is the lowest in Europe by some margin, with main rival EasyJet being 67% higher than that of Ryanair. Ryanair uses smaller, lower cost airports with faster turnaround times of only 25 minutes, which allows the airline to maximize aircraft utilisation. It also benefits from high seat density (189 seats per aircraft, compared with 156 seats for EasyJet) with an aircraft capacity utilisation of 82%.

Ryanair has a younger fleet of aircraft giving them advantages of fuel efficiency and lower maintenance costs. In addition, Ryanair’s labour force is more productive and flexible: 50% of flight crew are contracted and employed only when required.

There is a downside to cutting costs and Ryanair is frequently featured in surveys as having one of the weakest brands in European aviation. Ryanair is seen as mean, uncaring and money-grabbing, and social media sites are used to reinforce this image as well as complain about poor customer service. Despite this, passenger numbers are set to rise by 4-5% per annum with 98% of all tickets booked online.



As Ryanair continues to expand it will need to recruit more staff.

1. Evaluate the methods it could use to do this.. (6)

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**Evidence A Cola-Cola India turns 20**

The Coca-Cola drink was launched in Agra, India in 1993. Since then Coca-Cola India has grown rapidly, owning two of the country’s largest soft drinks brands – Thums Up and Sprite. Operations include over 7,000 Indian distributors and more than 2.2 million retailers.

Coca-Cola India has invested more than $2bn in its Indian operations and provides direct employment to   
more than 25,000 people and indirect employment to more than 1,500,000 people through its vast supply and distribution system.

Coca-Cola India is the country’s leading beverage company with an unmatched portfolio of beverages. These include Coca-Cola, Fanta Orange, Limca, Sprite, Thums Up, Burn, Kinley, Maaza, Minute Maid Pulpy Orange, Minute Maid Nimbu Fresh and the Georgia Gold range of teas and coffees and Vitingo.

Coca-Cola India is one of the largest domestic buyers of agricultural products such as sugar and mango pulp. The company’s business also positively impacts on industries such as glass, plastics, automobiles and banking.

**Evidence B Coca-Cola India – Responsible Marketing**

As part of our marketing, we have a Global Responsible Marketing Policy and we do not market any products directly to children under 12. This means we will not use advertising directly targeted at audiences that have more than 35% of children under 12. Our policy applies to all of our beverages and the media outlets we use. We are proud to be part of the ‘India Pledge’, which is a commitment to change food and beverage advertising to children under the age of 12 years in India.

**Evidence C New High-tech Bottling Plant**

To mark its 20 years in India, Coca-Cola India opened a new bottling plant at Chatta in Uttar Pradesh. With an investment of Rs 135 crore ($23m) the new high-tech plant will be Coca-Cola India’s 58th manufacturing plant in the country. The company’s latest technology will ensure no wastage of water and energy. It will produce 1,200 bottles per minute and will be capital intensive, providing employment to 225 people.

Venkatesh Kini, Deputy Business Unit President, Coca-Cola India, said, “Our   
investments in India are on track as we build scale, manufacturing capacity,   
distribution capability and a robust product portfolio to realise our business goals in India. By using quality management techniques, we share best practices and technological advancements with our suppliers, vendors and allied industries, which often leads to improvement in the overall standards of quality across industries.”

**Evidence D Coca-Cola India – A Great Place to Work**

We aspire to be a great place to work, where employees are given opportunities to develop their skills and expand their breadth of experience. With this in mind we have developed six special training programs for all employees at all levels of the hierarchy.

Pegasus is our leading training program which seeks to develop all-round top talent for future roles within Coca-Cola India. Catalyst is another training program for selected managerial staff, relatively high in the organisational hierarchy, preparing them for senior management positions.

In addition, our Coca-Cola University operates a six-month program which helps to source and train fresh young talent ahead of demand for our franchise bottlers. The program includes classroom learning, e-learning, mentoring, coaching, feedback and fieldwork.

1. Evaluate the likely value of training to Coca-Cola India. (Evidence D).

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1. *Tata Steel* announced that it would permanently reduce the workforce at its Scunthorpe plant by 340 employees, due to weak demand for steel products.  
   (a) The most appropriate way for Tata Steel to reduce the number of employees is by (1)
2. resignation
3. redundancy
4. training
5. job rotation

Answer [ ]

(b) Explain why this answer is correct. (3)

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1. Barclays appointed Antony Jenkins as Chief Executive Officer (CEO) in 2012. He had worked at Barclays since 1983.  
   (a) The most likely reason for Barclays to use internal recruitment is (1)
2. less is known about candidates
3. there are more applicants to choose from
4. it can act as a motivation for staff
5. it is more expensive than external recruitment

Answer [ ]

(b) Explain why this answer is correct. (3)

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1. (a) IBM offers all of its graduate employees training and development programmes, including a one-day induction course.  
   An induction course is most likely to involve (1)
2. evening classes at college
3. B meeting new colleagues
4. C a job rotation programme
5. D a staff appraisal meeting

Answer [ ]

(b) Explain why this answer is correct. (3)

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Tesco was founded in 1919 by Jack Cohen from a market stall in London’s East End. We now operate in 12 countries around the world with over 3,000 stores and over 310,000 employees in the UK. Over 65% of Group sales and profits come from the UK business, where we are the market leader. We operate a decentralised structure with only six management levels between the CEO and a checkout assistant.

We pioneered grocery home shopping in 1997 and have grown to be the world’s largest and most profitable online grocery retailer, with sales of well over £2bn. We also have a small number of specialised dotcom-only stores and over 150 Grocery Drive-throughs, which allow us to respond to high customer demand. Our popular Click & Collect service can be used for general merchandise and is just one of many distribution methods on offer to customers.

We’re not just a grocery store – we offer our customers a range of products and services to suit   
their needs. From Tesco Bank to Tesco Mobile to our new Blinkbox video-on-demand service, we’ve   
got more than milk and eggs.

**Evidence B: Tesco Charity Trust**

The Tesco Charity Trust was set up in 1987 to support both national and local community charities, and to add a 20% top up to staff fundraising. In the year ending February 2013, the Tesco Charity Trust made cash donations of over £2m to local, national and international charities and supports UK charities such as Cancer Research UK’s Race for Life and Diabetes UK. Each year, we set a target for donating at least 1% of pre-tax profit to charity.

We also support communities through our products. Every year our clothing brand, F&F, offers a range of school uniforms as part of the ‘Buy One, Give One’ program. When a Tesco customer buys one product from the range, F&F donates an entire school uniform to a child in the area in which the clothing is made. With the help of our customers, F&F has donated more than 200,000 school uniforms to children in Kenya, Sri Lanka and Bangladesh since 2009.

**Evidence C: Price comparison websites**

mySupermarket is a website that allows you to compare prices and shop online from the main UK retailers in one place. Our aim is to help you save time and money while giving you the best possible online shopping experience. All you have to do is select your favourite retailer - Tesco, ASDA, Sainsbury’s, Waitrose, Ocado, Aldi, Morrisons, Boots or Superdrug and start shopping!

We also help you find the best online deals, offers and vouchers. While you shop, we compare your basket across all the retailers so we can suggest replacements to help you save even more money.

We are 100% independent from the retailers featured on our website. None of the stores or any manufacturers own a stake in the company. Our pricing information is updated daily according to your local stores.

**Evidence D: Tesco board ousts CEO Philip Clarke after latest profit warning**

After 40 years at Tesco Philip Clarke was replaced by Dave Lewis. Philip Clarke had failed to halt a dramatic slide in sales and profits. Tesco issued another profit warning in July 2014.

When Philip Clarke took over as CEO in March 2011, Tesco’s UK market share was 30.7% but by October 2014 that had shrunk to 28.9%. During the same period, discounter Aldi more than doubled in size to command a 4.7% share of the market, while Lidl increased its share to 3.6%.

In October 2014, more problems emerged for Tesco when The Serious Fraud Office launched a   
criminal investigation into its accounting practices after a £263m profit overstatement. There are fears that Tesco employees will feel the real impact of the falling profits in an attempt to reduce costs at the troubled retailer.

1. Evaluate possible ways by which Tesco could reduce its labour costs. (14)

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