

**BUSINESS AND MANAGEMENT  
STANDARD LEVEL  
PAPER 1**

Wednesday 5 May 2004 (afternoon)

1 hour 30 minutes

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**INSTRUCTIONS TO CANDIDATES**

- Do not turn over this examination paper until instructed to do so.
- Read the case study carefully and then answer all the questions.

1. (a) *Riveau Yachts* wish to position their S1200 model as a premium product, that targets higher socio-economic group customers (*line 38*).
- Examine **three** methods that can be used to achieve this. [6 marks]
- (b) Identify **four** possible sources of finance available to *Riveau Yachts* to fund new product development and assess the advantages and disadvantages of each source. [10 marks]
2. (a) Advise Danielle Jarman, the human resource manager, on methods to reduce staff turnover and improve recruitment and training. [8 marks]
- (b) Explain the advantages and disadvantages for *Riveau Yachts* of creating a flatter organizational structure. [6 marks]
3. (a) Analyse primary and secondary market research methods that *Riveau Yachts* can use to gather economic and market data in the Baltic States. Describe how this information will help their marketing strategy. [10 marks]
- (b) Assess the effects of external influences on the activities of *Riveau Yachts*. [8 marks]
4. Using ratio analysis evaluate the changes in profitability and liquidity of *Riveau Yachts* between 2001 and 2003. [12 marks]
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