



88045013

**BUSINESS AND MANAGEMENT
STANDARD LEVEL
PAPER 1**

Tuesday 2 November 2004 (afternoon)

1 hour 30 minutes

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. Assess the reasons why *Riveau Yachts* “decided to convert the partnership into a private limited company” (*lines 13 to 14*). [6 marks]

 2. (a) Calculate the following ratios for 2001 and 2003:
 - return on capital employed (ROCE)
 - gross profit margin
 - net profit margin
 - current ratio
 - acid test ratio
 - stock turnover.[12 marks]

 - (b) Using the ratios calculated in part (a) evaluate the change in the financial position of *Riveau Yachts* between 2001 and 2003. [10 marks]

 3. *Riveau Yachts* needs “to develop new products, and will require access to further sources of finance” (*line 148 to 149*). Choose **two** suitable forms of finance, outline the positive and negative aspects of each and assess their suitability for the needs of *Riveau Yachts*. [10 marks]

 4. (a) How will *Riveau Yachts* need to adapt its marketing policies to support its expansion into overseas markets? [10 marks]

 - (b) Develop a marketing strategy for *Riveau Yachts* for the S1200 model. [12 marks]
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