BUSINESS STUDIES
Paper 2
INSERT

1 hour 45 minutes

READ THESE INSTRUCTIONS FIRST

This Insert contains the case study material. Anything the candidate writes on this Insert will not be marked.

The syllabus is approved for use in England, Wales and Northern Ireland as a Cambridge International Level 1/Level 2 Certificate.

This document consists of 3 printed pages and 1 blank page.
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

Board of Directors
  Managing Director
    Area 1 manager
      Area 1 deputy manager
      Branch manager
    Area 2 manager
      Area 2 deputy manager
      Branch manager
    Area 3 manager
      Area 3 deputy manager
      Branch manager
    Area 4 manager
      Area 4 deputy manager
      Branch manager
  HR and administration
Appendix 2

Information about PB Bank and DOTT Bank in 2013

<table>
<thead>
<tr>
<th></th>
<th>PB Bank</th>
<th>DOTT Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td>$790m</td>
<td>$320m</td>
</tr>
<tr>
<td>Current assets</td>
<td>$120m</td>
<td>$80m</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>$80m</td>
<td>$100m</td>
</tr>
<tr>
<td>Capital employed</td>
<td>$830m</td>
<td>$300m</td>
</tr>
<tr>
<td>Net profit</td>
<td>$83m</td>
<td>$45m</td>
</tr>
<tr>
<td>Number of customers</td>
<td>3,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Number of branches</td>
<td>1,000</td>
<td>250</td>
</tr>
</tbody>
</table>

Appendix 3

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

<table>
<thead>
<tr>
<th>Age</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>10–20</td>
<td>100</td>
</tr>
<tr>
<td>21–30</td>
<td>400</td>
</tr>
<tr>
<td>31–40</td>
<td>300</td>
</tr>
<tr>
<td>41–50</td>
<td>100</td>
</tr>
<tr>
<td>50 +</td>
<td>100</td>
</tr>
</tbody>
</table>

**Do you have a bank account?**

- Yes: 800
- No: 200

**Do you have a mobile phone?**

- Yes: 700
- No: 300

**Would you like to be able to access your bank account details and carry out transactions using your mobile phone?**

- Yes: 500
- No: 500