T-LEVELS | IfATE Institute for Apprenticeships and Technical Education

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Centre Number | Learner ID

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T Level Technical Qualification in Legal Services (Level 3)

Monday 2 December 2024

Morning (Time: 2 hours 30 minutes)

Paper reference **19564**

Core: Examination

PAPER 1: Business Principles for Legal Services

You must have:
A calculator

Total Marks

Instructions

- Use **black** ink or ball-point pen
  – *a pencil may be used for drawings.*
- **Fill in the boxes** at the top of this page with your name, centre number and Pearson learner ID.
- There are two sections in this question paper. Answer **all** questions in Section A and Section B.
- Answer the questions in the spaces provided
  – *there may be more space than you need.*

Information

- The total mark for this paper is 90.
- The marks for **each** question are shown in brackets
  – *use this as a guide as to how much time to spend on each question.*

Advice

- Read each question carefully before you start to answer it.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ▶

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SECTION A

Answer ALL questions. Write your answers in the spaces provided.

1 Name **one** visualisation tool that is used to present data.

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(Total for Question 1 = 1 mark)

2 Name **one** type of indirect tax.

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(Total for Question 2 = 1 mark)

3 Name **one** possible outcome for a business of an internal financial audit.

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(Total for Question 3 = 1 mark)

4 Explain **one** advantage for a business of outsourcing legal services.

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(Total for Question 4 = 2 marks)

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From 2020/21–2022/23, the number of students enrolling on a higher apprenticeship increased by 6.2%.

5 Explain **one** advantage for a student of enrolling to a higher apprenticeship.

(Total for Question 5 = 2 marks)

6 Explain **one** purpose of the Companies Act 2006.

(Total for Question 6 = 2 marks)

7 Explain **one** disadvantage for a business of using angel investors as a source of finance.

(Total for Question 7 = 3 marks)

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Kampir is a mid-sized manufacturing company that has been struggling to keep up with the growing volume and complexity of its data.

The company's data is spread across multiple systems. The lack of a centralised data warehouse makes it difficult to analyse and extract meaningful insights.

As a result, Kampir's decision making is becoming increasingly difficult. Inaccurate analysis of data has led to missed opportunities and inefficiencies. Kampir's management team decided to explore the option of outsourcing data analytics. It knows that its in-house team lacks the expertise. The company also lacks the resources to manage its growing data needs effectively. It is concerned about the reliability, efficiency and security of outsourcing.

8 Discuss the impact on Kampir's company of outsourcing data analytics.

(Total for Question 8 = 6 marks)

TOTAL FOR SECTION A = 18 MARKS

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SECTION B

Scenario 1

Fundo Catalyst Ltd. (FCL) is a leading provider of financial services. It is challenged by the evolving demands of its customers and the competitive landscape. The company's manual processes and traditional credit scoring methods are slowing down operations and impacting negatively on customer satisfaction. To address these issues and grow the company, FCL is considering a strategic transformation. The transformation would include adopting:

- blockchain technology
- speedy credit scoring
- a move towards hiring and empowering entrepreneurial staff.

FCL's current bookkeeping system is labour-intensive and leads to errors being made. There have been concerns from the board that the company's finances may not be reflected accurately. These issues make it difficult to track revenue and expenditure effectively.

The board is also concerned that some fraudulent activity has taken place, possibly by external sources such as hackers. To improve efficiency, reliability and security, the company is considering integrating blockchain technology into its accounting processes. Using blockchain technology would mean that credit scoring data can be tracked more effectively. However, the firm is concerned about the impact on the company of changing the systems that staff are already trained in using.

FCL's traditional credit scoring methods are time-consuming and often result in delayed loan approvals. To speed up the credit assessment process and improve customer experience, the company will implement speedy credit scoring solutions. To introduce blockchain technology and speedy credit scoring solutions effectively, FCL established a project management cycle. During this project they found that decisions were made faster as FCL gathered information. Risks were identified during the project management cycle, which meant that FCL avoided them.

After a year when most businesses had been affected by interest rate rises, FCL is not making the desired profit. The low profit has affected staff morale and their desire to be innovative and creative. It has also led to staff taking fewer risks to help grow the firm. FCL recognises that encouraging an entrepreneurial culture is crucial for driving innovation and business growth. To achieve this goal, the company is committed to hiring and empowering entrepreneurial staff.

You must use Scenario 1 to answer Questions 9(a) – 9(d).

FCL is concerned about the accuracy of its bookkeeping.

9 (a) Explain **one** advantage for FCL of accurate bookkeeping.

(2)

(b) Explain **one** impact on FCL of using blockchain technology.

(2)

(c) Explain the impact on FCL of the project management cycle when the speedy credit scoring solutions are introduced.

(3)

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FCL's board wants to focus on training existing staff. It also wants to hire new staff who are entrepreneurial, to drive innovation and growth.

(d) Discuss the impact on FCL of employing new staff who are entrepreneurial.

(9)

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(Total for Question 9 = 16 marks)

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Scenario 2

Cocina Innovations (CI) is a successful UK-based manufacturer of high-quality kitchen units and kitchen appliances. The company has a strong reputation for its innovative products and customer service. It has been consistently profitable for the past five years. However, in the last year CI has made a number of changes. The challenges to CI include increased competition from foreign manufacturers, rising input costs and slow economic growth. CI aims to grow the business, to become more efficient and profitable.

CI is considering investing in a new product development project that has an overall cost of £2 million. The project is expected to generate a profit for the year of £1 million per year for the next five years. CI is unsure whether to claim the £2 million investment as a capital allowance for tax purposes. The project would need to include the hiring of specialist staff in terms of data analysis, new technologies and design of the new products. It would also need to secure effective partnerships for the manufacture of the new products. The partners of CI are concerned that the market for these staff is competitive and this may impact their calculations. A specialist legal firm, Jotaberg Lawyers, usually advises on tax issues.

CI has conducted preliminary market research to assess the potential demand for a new product line designed for small apartments. The product line is called Small Kitchens. The new products would cost less for the customer than the company's current products. The research has found that there is a growing market for small kitchens because more people are living in smaller homes. However, the research also found that there is a lot of competition in this market from other manufacturers. Because the market is growing quickly, CI needs to act fast in creating new products. The partners at the firm want to ensure that its products are differentiated from its competitors products.

An alternative way of growing the business would be to enter into a contract with a large hotel chain to supply its kitchens. There are several hotel chains currently trying to find suppliers. CI has limited experience in hotel kitchens and would have to select an appropriate chain in good financial health.

Extract from the annual income statement for CI, 2023	**£**
Sales revenue	12 000 000
Cost of sales	6 000 000
Operating expenses	2 500 000

Table 1

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You must use Scenario 2 to answer questions 10(a) – 10(e).

10 (a) Using the information in Table 1, calculate CI's profit for the year.

(2)

You must show your workings.

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(b) Using the information in Table 1, calculate CI's gross profit margin.

(3)

You must show your workings.

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CI wants to engage a law firm to advise on its taxes.

(c) Explain **one** advantage for CI in engaging a law firm such as Jotaberg Lawyers to advise on its taxes.

(2)

CI used qualitative research to analyse customer thoughts on the new product line, Small Kitchens.

(d) Evaluate the impact on CI of using qualitative research.

(9)

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CI needs to decide whether to expand into new product lines.

The firm has two choices in making this decision:

- produce Small Kitchens

or

- enter into a contract with a hotel chain to supply its kitchens.

(e) Evaluate, using a SWOT analysis, which of these **two** options is the most appropriate for CI.

(12)

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Scenario 3

The following is an extract from an interview with Denise, a senior manager at *Aero Makers* (AM). The interview was conducted by an engineering student, Lauratio, as part of research for his Masters degree.

Lauratio: Will you tell me a bit of information about your company?

Denise: Aero Makers (AM) is a mid-sized company specialising in the production of high-quality components for the aerospace industry. We have a strong track record of innovation and quality in the aerospace industry. We need to improve to achieve our goals in expanding our product portfolio, targeting emerging markets and becoming a leading player in the global marketplace.

Lauratio: Can you tell me about any current challenges for the company?

Denise: In recent years, we have experienced several costly errors and delays partly because of outdated and manual processes. These errors and delays created the need for change to ensure our products and service remain desirable. Our management team is now determined to implement a comprehensive digital transformation strategy that will streamline operations and improve customer satisfaction. The company wants to become more competitive. It is fair to say that our employees are accustomed to working in a traditional, hierarchical environment. The work environment will change as we expand. Methods of communication will change. We need to find a way to create a culture of innovation and collaboration and at the same time maintain the stability and efficiency that have been the cornerstone of AM's success.

Lauratio: Do you think that this series of changes will be easy?

Denise: Not really! Another challenge for us is the need to protect the company from potential liabilities arising from our digital operations, in addition to the production of the components. The company will become a more automated data-driven environment. Global expansion has become increasingly important. We also need to have the correct professional indemnity insurance coverage in place. Such insurance coverage is both a legal requirement for a business and is important as part of our contracts with our clients.

Lauratio: What approach will you be taking to make the changes to the company?

Denise: We recognise that our success in the digital age will depend on our ability to adopt a design thinking approach to problem solving. We are forming cross-functional teams to identify and address potential problems for customers. These teams will use design thinking methods to gather insights, develop solutions, and test their ideas before committing to full-scale implementation.

Lauratio: This sounds like a challenge. What are you most excited about for the future?

Denise: We have decided to implement robotic process automation (RPA) to automate repetitive and high-volume tasks such as invoice processing and email management. We feel that automation can free up employees to focus on higher-value tasks and can improve the overall efficiency of our operations. We are carefully evaluating the potential benefits and risks of RPA before deciding whether to implement this technology. We are conducting an organisational impact assessment to identify the potential job displacement and training needs that RPA could create. We are also developing a comprehensive plan to manage and monitor the performance of any RPA implementations. This includes the impact on customer satisfaction, which has been impacted by the recent losses at the company.

You must use Scenario 3 to answer questions 11(a) – 11(d).

AM needs to purchase insurance for the business.

11 (a) Explain **two** roles an insurer would undertake on behalf of AM.

(4)

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2 .....

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AM would like to use a design thinking ethos to address whether a complete digital transformation is a good option.

(b) Explain **one** way using a design thinking ethos can benefit AM.

(3)

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AM wants to move away completely from manual processes. Its objectives are to expand its product portfolio, to target emerging markets and to become a leading player in the global marketplace.

(c) Assess the impact on AM's business objectives in its move towards digitisation.

(9)

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The managers at AM want to improve its processes. They have two choices:

- use robotic process automation (RPA)

or

- use its existing workforce to complete the same tasks.

(d) Evaluate which option would be the most appropriate for AM.

(12)

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(Total for Question 11 = 28 marks)

TOTAL FOR SECTION B = 72 MARKS
TOTAL FOR PAPER = 90 MARKS

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