

SECTION A

Answer **all** the questions.

1. Explain, using suitable examples, the reasons for and against the use of contingency planning. [8]
2. JK Lessing Ltd manufactures garden ornaments. The company's sales revenue for the last ten years is given in the table below.

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Sales Revenue £000s	225	240	270	360	260	340	330	380	280	420



- (a) Calculate a three-year moving average of the company's sales revenue, writing your answers in the table provided on page 3. [3]
- (b) Plot your answers on the graph provided and draw in a **line of best fit**. [2]
- (c) Use the line of best fit to predict the sales revenue for 2012. [1]
- (d) Assess the usefulness of this prediction to the company. [6]