

THERE ARE NO QUESTIONS PRINTED ON THIS PAGE

MIDDLESEX UNIVERSITY  
and  
THE DRIVING INSTRUCTORS ASSOCIATION  
May 2008

**DIPLOMA IN DRIVING INSTRUCTION (2008)**  
**Module II: Management, Practices and Procedures**

Tuesday 6 May 2008 1.30 pm to 3.30 pm

In addition to this paper you will require:

- a 12-page answer book
- a pen, pencil and rubber
- a ruler

Time allowed: 2 hours

**Instructions**

- Answer **all** questions in the answer book provided.
- Do all rough work in the answer book. Cross through any work you do not want marked.

**Information**

- The maximum mark for this paper is 100.
- Mark allocations are shown in brackets.

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Answer all questions

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- 1 An established driving instructor with ten years experience wishes to raise money from a bank to start his own driving school.
- (a) Bank managers need to satisfy themselves on three criteria. Discuss these three criteria. (3 marks)
- (b) What guarantees would a bank require? (2 marks)
- (c) Discuss the advantages and disadvantages of an overdraft? (5 marks)
- 2 A driving instructor receives an unsolicited telephone call from a company inviting the instructor to be the only driving school advertising in their new directory.
- Discuss the potential risks and benefits of this form of advertising (15 marks)
- 3 The Companies Act provides legislation concerning the disclosure of business names.
- (a) Describe the purpose of this legislation. (2 marks)
- (b) State what information has to be disclosed. (2 marks)
- (c) State where the information must be disclosed (6 marks)
- 4 Careful consideration must be given when setting up a new business. Name and describe the three principal types of business structure and briefly describe the differences of each type. (15 marks)
- 5 Periodically tuition vehicles will need to be replaced.
- Discuss the benefits or otherwise of buying the car privately or from a car dealership. (15 marks)

- 6 A qualified driver who has lost confidence in driving asks for refresher training, particularly on motorways. On the first lesson the instructor forms the opinion that the standard of driving is so dangerous that the client should give up driving altogether. The client disagrees.
- With reference to the driving school's terms and conditions:
- (a) What liability could the instructor incur from actions of the client? (1 mark)
- (b) How should the instructor deal with the client? (4 marks)
- (c) What other courses of action could the instructor suggest to help prolong the client's driving career? (5 marks)
- 7 Describe the advantages and disadvantages of using professional advisors when operating a small driving school. (10 marks)
- 8 It is essential to keep proper financial records when running a business.
- (a) Briefly describe a simple book-keeping system suitable for a self-employed driving instructor. (5 marks)
- (b) What are the advantages or disadvantages of the owner of a driving school registering for VAT? (5 marks)
- (c) List five benefits of filing tax accounts on-line. (5 marks)

END OF QUESTIONS