A-LEVEL BUSINESS • EXERCISE SHEET

1.5 Stakeholders in a business

Name: ______________ Class: __________ Date: ____________ **Total: 29 marks**

Objective

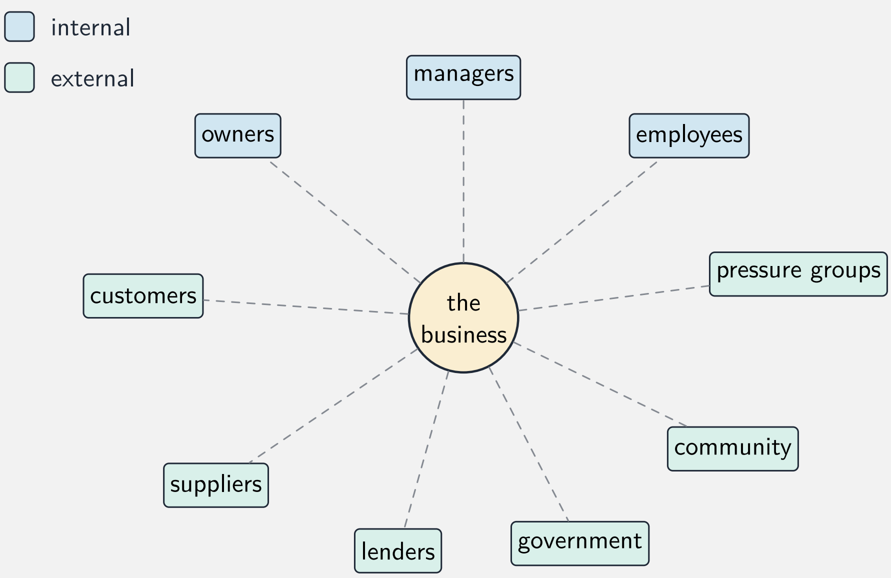
Build the skills to answer exam questions on **stakeholders** 利益相关者—who the **internal** 内部 and **external** 外部 stakeholders of a business are, what each one wants, and why their objectives **conflict** 冲突.

You must be able to:

- name internal and external stakeholders and their main objectives
- explain why stakeholder objectives conflict
- analyse and evaluate a decision from different stakeholders' points of view

1 Worked examples

■ Who the stakeholders are



Internal: owners, managers, employees. External: customers, suppliers, lenders, government, community, pressure groups

- **Internal:** owners (profit), managers (growth, bonuses), employees (pay, security).
- **External:** customers (quality, fair price), suppliers (paid on time), lenders (repayment), government (tax, law), community (jobs, low pollution).

- **Conflict:** owners want higher profit, but employees want higher pay —and higher pay lowers profit.

Answer shapes: an **Evaluate** [**12**] answer on a decision should view it from **more than one stakeholder**, weigh the gains and losses, then judge *in context*.

2 Practice

2.1 Define the term *stakeholder*. [2]

2.2 State two **internal** stakeholders of a business. [2]

2.3 State one objective of a **supplier** and one objective of the **local community**. [2]

3 Exam-style questions

3.1 Explain one reason why the objectives of two stakeholder groups might conflict. [3]

3.2 A factory plans to introduce night-shift working to raise output. Analyse the impact of this decision on **two** stakeholder groups. [8]

3.3 A business is deciding whether to close a loss-making factory and move production abroad. Evaluate this decision from the viewpoint of its stakeholders. [12]

4 Go further

You are now ready for the real exam questions on this subtopic. Open the **1.5 Stakeholders** past-paper sheet in the Library, or try these in **Practice mode**:

- 9609/21 N25 —Q2 (stakeholders, applied)
- 9609/22 N25 —Q2 (stakeholder conflict)
- 9609/13 J25 —Q6 (stakeholders)

Solutions

Business answers are marked by **level of response** against the assessment objectives: award **AO1** knowledge, **AO2** application, **AO3** analysis and **AO4** evaluation.

2.1 any person or group with an interest in a business and how well it performs (2 for a clear definition; 1 for a partial idea).

2.2 any two of: owners/shareholders; managers; employees (1 + 1).

2.3 supplier —regular orders and to be paid on time; local community —jobs with little pollution or noise (1 + 1).

3.1 *[3]* **AO1** 1 —identify two groups whose aims clash. **AO2** up to 2 —develop the conflict, e.g. owners want a higher profit margin so they push for lower wages, but employees want higher pay, so the two aims cannot both be met fully (2 developed / 1 limited).

3.2 *[8]* For **each** of two stakeholder groups: **AO1** 1 + **AO2** 1 + **AO3** up to 2. Example chains —*employees*: night shifts → unsocial hours and tiredness → lower morale, but possible shift premium pay. *Owners*: higher output → more sales and profit, but higher wage and energy costs. Maximum 4 per group, 8 total.

3.3 *[12]* **AO1** 2 / **AO2** 2 / **AO3** 2 / **AO4** up to 6. **Gains:** owners cut losses and lower costs abroad; customers may keep lower prices. **Losses:** local employees lose jobs; the community loses income; suppliers lose orders; reputation may fall. Judgement: the decision can be right for the owners' survival, but the social cost is high —so it depends on the size of the loss, the alternatives, and how the firm manages the closure (e.g. retraining, notice).