3 **(a)** Define the term *hostile takeover*. [2]

(b) Explain **one** importance to a business of having objectives. [3]

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1 **(a)** Define the term *mission statement*. [2]

(b) Explain **one** disadvantage to a business of having corporate social responsibility (CSR) as a business objective. [3]

2 Personalised Blankets (PB)

Kaia left university with a degree in textile design. Using her entrepreneurial qualities, Kaia set up PB as a sole trader. Her current objective is to break even.

Kaia uses job production to make blankets which are personalised with a picture. Each customer logs into the PB website and chooses the size of blanket. The customer then uploads a picture that they want printed onto the blanket.

Many of Kaia's customers buy the blankets as gifts for special occasions.

Kaia has employed a social media influencer to promote her blankets. The influencer will be paid a salary of $250 a week and a 5% commission on revenue that comes directly from the influencer. Fig 2.1 shows the revenue that came directly from the social media influencer in February.

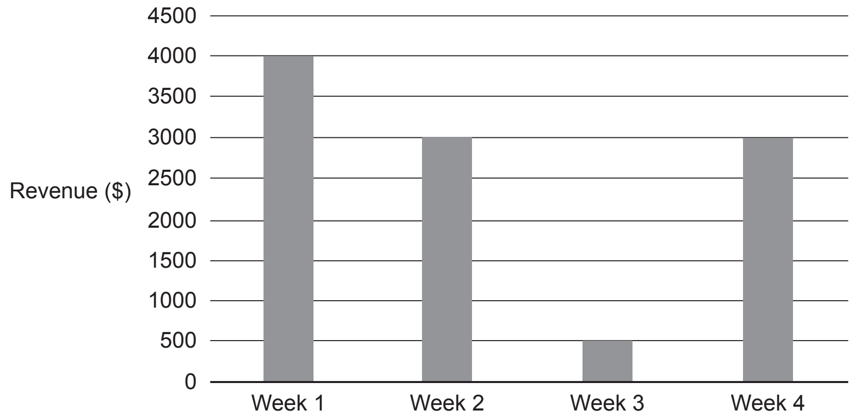

Fig. 2.1 Revenue directly from the social media influencer in February

Kaia would like to relocate PB to larger premises. She is applying for external sources of finance, and she has written a five-year business plan to support her applications.

(a) **(i)** Identify **one** external source of finance. [1]

(ii) Explain the term *business plan*. [3]

(b) **(i)** Refer to Fig. 2.1 and other information. Calculate the total payment to the social media influencer in February. [3]

(ii) Explain **one** disadvantage to Kaia of using a commission payment method. [3]

(c) Analyse **one** advantage and **one** disadvantage to Kaia of using job production. [8]

(d) Evaluate the most likely reason for Kaia's objectives to change over the next five years. [12]

5 **(a)** Analyse **two** reasons why it is important for a business to set SMART objectives. [8]

(b) Evaluate the view that a mission statement is only important to a bank if it significantly influences the strategy and tactics of that business. [12]

OR