

3 (a) Define the term *labour productivity*. [2]

(b) Explain **one** way that a business can improve labour productivity. [3]

4 Analyse **one** reason why a business might hold low levels of inventory. [5]

Section B

Answer **one** question only.

EITHER

4 Analyse **one** impact on a business of outsourcing. [5]

Section B

Answer **one** question only.

EITHER

1 The Research Agency (TRA)

TRA is a quaternary sector business. It is the market leader in providing social media data to food manufacturers in country F. TRA’s market has grown by 40% over the last year.

DF is a multinational business that specialises in non-alcoholic drinks. DF has asked TRA for data about a new bottle of water with pod attachments. The pods give a fruity flavour which is combined with sparkling water. TRA has sampled 8000 potential consumers on social media to identify their favourite fruity flavour (see Fig. 1.1).

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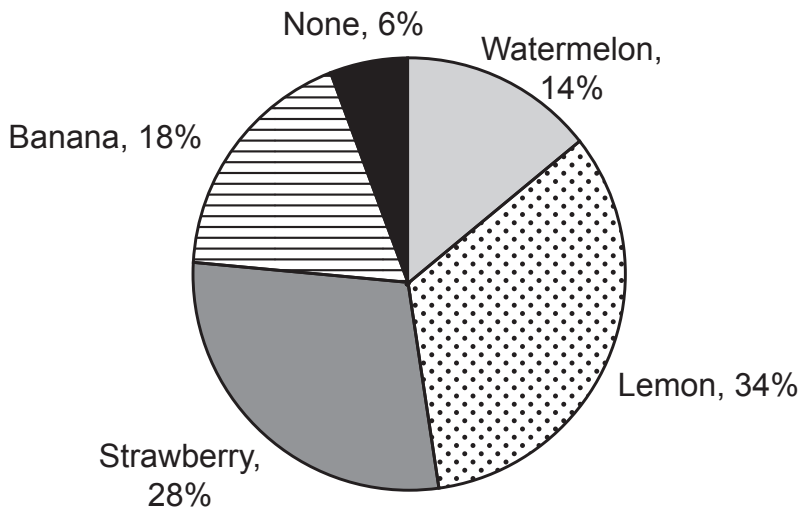


Fig. 1.1 Data about consumer flavour preferences for DF

TRA employs 65 researchers. Since 2020, all of these employees work from home. They are provided with all the necessary IT equipment and a high-speed internet connection. However, motivation is poor, and this has led to high labour turnover. The Human Resource Director has received some feedback from employees. Fig. 1.2 shows some of this feedback.

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- I hate being so isolated – I never get to speak to any other employees.
 - I have to use my own electricity, and the cost has doubled in the last two years.
 - I know some employees are not working very hard, but they get paid the same as me. It’s not fair!

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Fig. 1.2 summary of feedback from employees at TRA

- (a) (i) Identify **one** stage of the transformational process.

[1]
- (ii) Explain the term *multinational business*.

[3]
- (b) (i) Refer to Fig 1.1 and other information. Calculate the combined total number of potential consumers who would prefer lemon or strawberry flavoured water.

[3]
- (ii) Explain **one** reason why TRA uses sampling.

[3]
- (c) Refer to Fig 1.1 and other information. Analyse **two** reasons why the data collected for DF may not be reliable.

[8]
- (d) Evaluate the most effective way for TRA to improve the motivation of the home working employees.

(2)

[12]