

6.2 Environmental and ethical issues

Name: _____ Class: _____ Date: _____

Total: 20 marks

KEY WORDS sustainable development
 • pressure group • external benefits • external costs
 • pollution

Objective

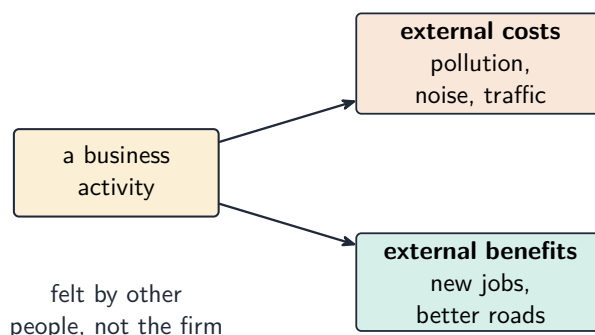
Build the skills to answer exam questions on **environmental and ethical issues**
 – **external costs and benefits**, sustainable
 development, **pressure groups**, and **ethics versus profit**

You must be able to:

- distinguish external costs from external benefits
- explain sustainable development and the role of pressure groups
- analyse the conflict between ethical behaviour and profit

1 Key knowledge and worked examples

■ External costs and benefits



Some effects of business fall on people who are not part of the deal

- **External costs** : paid by others/society – **pollution**, noise, traffic.
- **External benefits** : gains for others – new jobs, better roads.
- **Sustainable development** : meeting today's needs without harming the future.
- **Pressure groups** : try to influence firms (media, boycotts). **Ethics** can cost more now but win loyalty later.

Answer shapes: K + App + An + Ev (a justified judgement, for “do you think” questions).

2 Practice

2.1 Define the term *external cost*. [2]

2.2 Identify two external costs of a business building a new factory. [2]

2.3 Define the term *sustainable development*. [2]

3 Exam-style questions

3.1 Identify two ways a business could reduce its harm to the environment. [2]

3.2 Explain two ways a pressure group could influence a business. [6]

3.3 Do you think a business should behave ethically even if it reduces its profit? Justify your answer. [6]

Solutions

IGCSE Business answers are marked by **level of response**: award **K** knowledge, **App** application, **An** analysis and **Ev** a justified judgement.

Each answer shows the steps, then the **result**.

2.1

- an **external cost** is paid by **other people or society**, not by the business (e.g. pollution) (K)

2.2

- any **two** of: pollution / noise / heavy traffic / loss of green space (K, K)

2.3

- **sustainable development**: meeting today's needs **without harming future people** (K)

3.1

- any **two** of: recycle / clean energy / less packaging / cut waste (K, K)

3.2

- for **each** of two ways: K + An, max 3 each
- e.g. **bad publicity**: media expose pollution → customers boycott → the firm changes
- e.g. **protests/boycotts**: sales fall → the firm acts to win customers back

3.3

- **for ethical behaviour**: loyal customers, good name, avoid fines
- **against**: better pay and cleaner methods cost more in the short term
- **judgement (Ev)**: can reduce short-term profit but usually pays off long-term – it depends on cost and how much customers value ethics