

1.5 Business objectives and stakeholder objectives

Name: _____ Class: _____ Date: _____

Total: 18 marks

Objective

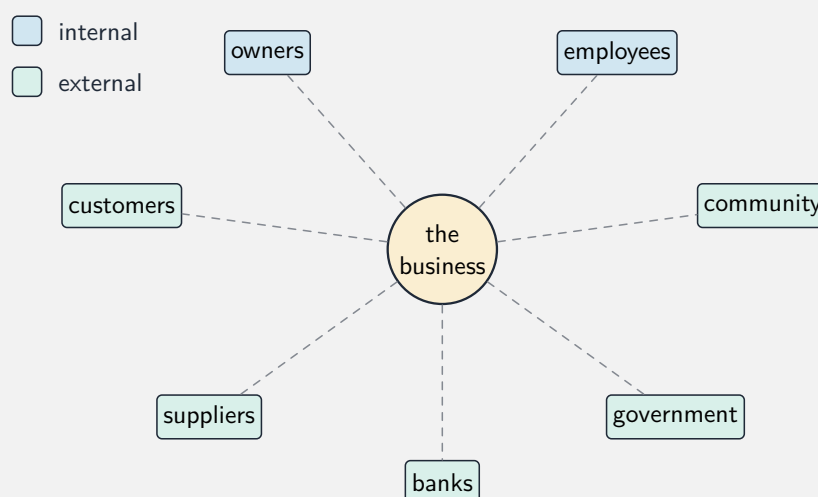
Build the skills to answer exam questions on **business objectives and stakeholder objectives** 企业目标与利益相关者目标—common **objectives** 目标, the aims of a **social enterprise** 社会企业, **stakeholders** 利益相关者, and why their objectives **conflict** 冲突.

You must be able to:

- state common business objectives
- identify a business's stakeholders and what each wants
- explain why stakeholder objectives conflict

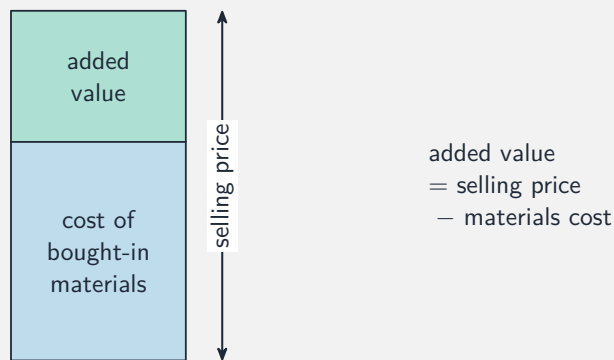
1 Worked examples

■ Stakeholders and conflict



Each group wants something different, so objectives can clash

- **Objectives:** survival, profit, growth, **market share** 市场份额, customer service, social objectives.



Profit —earned by adding value —is the objective most owners pursue

- **Stakeholders** 利益相关者: owners (profit), employees (pay, security), customers (quality, low price), suppliers (paid on time), government (tax, law), community (jobs, no pollution).
- **Conflict** 冲突: owners want higher profit, but employees want higher pay —and higher pay lowers profit.

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

2 Practice

2.1 Define the term *stakeholder*. [2]

2.2 Identify two objectives a business might have. [2]

2.3 State one objective of (a) employees and (b) the local community. [2]

3 Exam-style questions

3.1 Identify two stakeholders of a business. [2]

3.2 Explain two reasons why the objectives of different stakeholders might conflict. [6]

3.3 A business plans to replace some workers with machines to cut costs. Do you think this is a good decision? Justify your answer, using the views of its stakeholders. [6]

4 Go further

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

- 0450/11 N25 —Q2 (business objectives)
- 0450/13 N25 —Q3 (stakeholders)
- 0450/13 J25 —Q4 (stakeholder conflict)

Solutions

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

2.1 any person or group that is affected by a business or has an interest in it (2 for a clear definition; 1 for a partial idea).

2.2 any two of: survival; profit; growth; market share; customer service; social objectives (1 + 1).

2.3 (a) employees: fair pay / safe work / secure jobs; (b) community: jobs / no pollution or noise (1 + 1).

3.1 any two of: owners/shareholders; employees; customers; suppliers; government; local community; banks (1 + 1).

3.2 [6] For **each** of two reasons: K 1 + An up to 2 —e.g. *owners vs employees*: owners want higher profit so push for lower wages, but employees want higher pay → the two aims cannot both be met. *Owners vs community*: cutting costs may raise pollution, which the community opposes. Maximum 3 each.

3.3 [6] Both sides + judgement using stakeholders. **For**: machines cut costs and raise output → owners gain higher profit, customers may get lower prices. **Against**: workers lose jobs (employees and community suffer), and there is a high set-up cost. **Judgement (Ev)**: the decision helps owners and customers but harms employees and the community—whether it is "good" depends on the size of the cost saving and how the firm treats the workers who lose jobs.