

6.2 Environmental and ethical issues

Name: _____ Class: _____ Date: _____

Total: 16 marks

Objective

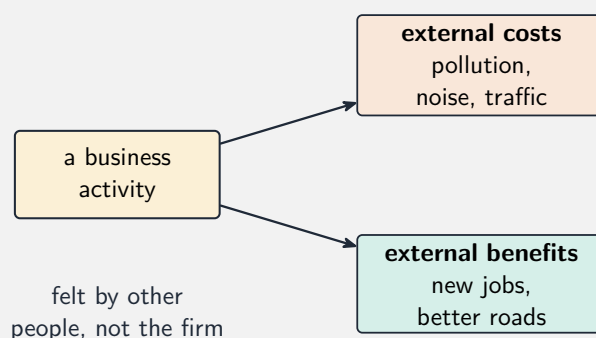
Build the skills to answer exam questions on **environmental and ethical issues** 环境与道德问题—**external costs and benefits** 外部成本与外部收益, **sustainable development** 可持续发展, **pressure groups** 压力团体, and **ethics versus profit** 道德与利润.

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 Worked examples

■ External costs and benefits



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

- **External costs** 外部成本: paid by others/society — **pollution** 污染, noise, traffic.
- **External benefits** 外部收益: gains for others — new jobs, better roads.
- **Sustainable development** 可持续发展: meeting today's needs without harming the future.
- **Pressure groups** 压力团体: 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]

4 Go further

You are now ready for the real exam questions on this subtopic. Open the **6.2 Environmental and ethical issues** past-paper sheet in the Library, or try these in **Practice mode**:

- 0450/11 N25 —Q4 (environmental issues)
- 0450/11 J25 —Q4 (ethics)
- 0450/12 J25 —Q4 (external costs / sustainability)

Solutions

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

2.1 a cost of a business's activity that is paid by other people or by society, not by the business (e.g. pollution) (2 for a clear definition; 1 for a partial idea).

2.2 any two of: pollution; noise; heavy traffic; loss of green space (1 + 1).

2.3 meeting today's needs without harming the ability of future people to meet their own needs (2 for a clear definition; 1 for a partial idea).

3.1 any two of: recycle; use clean energy; use less packaging; cut waste (1 + 1).

3.2 [6] For **each** of two ways: K 1 + An up to 2 —e.g. *bad publicity*: a group uses the media to expose pollution → customers may boycott the firm → the firm changes to protect its image. *Protests/boycotts*: a boycott cuts sales → the firm acts to win customers back. Maximum 3 each.

3.3 [6] Both sides + judgement. **For ethical behaviour**: fair pay and safe products win loyal customers and a good name, raising long-term profit, and avoid fines and bad publicity. **Against**: ethical actions (better pay, cleaner methods) cost more in the short term, lowering profit. **Judgement (Ev)**: acting ethically can reduce short-term profit but usually pays off long-term through reputation and loyalty —whether it is worth it depends on the cost and how much customers value ethics.