

6.2 Environmental and ethical issues

Name: _____ Class: _____ Date: _____ Total: 20 marks

KEY WORDS sustainable development 可持续发展 • external costs 外部成本
• pressure group 压力团体 • external benefits 外部收益 • pollution 污染

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

a business activity

external costs
pollution,
noise, traffic

external benefits
new jobs,
better roads

felt by other
people, not the firm

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]

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.