Solutions

Marking: **K** knowledge, **App** application to the case, **An** analysis (a developed chain of reasoning), **Ev** evaluation (a justified judgement); calculations earn **M1** for the method and **A1** for the answer.

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

2.1

- internal: **workers**, managers or owners
- external: **customers**, suppliers, government, local community or banks

2.2

- $(60\,000 - 50\,000) \div 50\,000 \times 100$
- $=$ **20** %

2.3

- shareholders want high **profit** and dividends (1)
- workers want higher **pay** and better conditions (1)
- higher wages raise costs and reduce profit, so one group's gain is the other's loss (1)

3.1

B

3.2

(a)

- a person or group with an **interest** in the activities of a business, who is affected by it

(b)

- $200\,000 \div 250\,000 \times 100$
- $=$ **80** %

(c) two objectives, each outlined (K + App each):

- **social**: giving jobs and training to the long-term unemployed
- **environmental**: recycling paper, reducing waste
- **financial**: covering costs and making enough profit to reinvest
- **survival** / growth

(d) two groups, each explained (K, App, An each):

- **workers**: 40 lose their jobs; the rest may fear for security, so motivation falls
- **local community**: lost incomes and spending in the town; but less factory traffic
- **owners / managers**: lower costs and higher profit to reinvest
- **customers**: lower costs could mean cheaper packaging

(e) for: (An)

- lower costs keep GreenBox **competitive** and able to survive; more profit to reinvest in training elsewhere

against: (An)

- conflicts with its **social objective**: many of the 40 were long-term unemployed and may not find work; damages its reputation with customers who buy for ethical reasons

decision: (Ev) for example, GreenBox should stay unless the move is needed to survive, because jobs for the long-term unemployed are its purpose, and losing them would contradict the reason the business exists.

Level 3 (5–6): a justified decision for this business, weighing both sides. Level 2 (3–4): points explained and applied. Level 1 (1–2): points identified.