

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