

1(a)	Explain <u>one</u> way each of the following problems may affect TSE when entering a new market in another country. • Cultural differences • Lack of knowledge Award 1 mark for each way (max 2). Award a maximum of 3 additional marks for each explanation of the way the problem may affect TSE when entering a new market in another country – one of which must be applied to this context. Relevant ways might include: Cultural differences: • There may be different preferences for types of sports played in a market in another country – as TSE may need to adapt its sports equipment to the ones required for this market – may increase development costs • Possibly need to adapt packaging/marketing/advertising in order to cope with differences in culture – may increase marketing costs • May not be able to compete with existing suppliers of sports equipment that already recognise cultural differences and how this impacts customer choice – customers may be brand loyal to locally produced products • May not produce different products for a new market, so may reduce opportunities for economies of scale – possibly increasing unit costs Lack of knowledge (of the market): • TSE may not be aware of the shopping habits of customers – may need to use different distribution channels to those it is familiar with – may be difficult to become established with retailers in a new market in another country • TSE may lack knowledge of competitors – not aware of competitors' brands of sports products and pricing – may find it difficult to enter a new market if competitors are well established For example: TSE may lack knowledge of competitors in a new market in another country (1) and may not be aware of competitors' brands of sports products (app) and the pricing strategies they use (1) so TSE may find it difficult to enter a new market if competitors are well established (1). Application could include: sports equipment; plastic raw materials; two companies that may be taken over; want to increase market share; multinational company; sports; badminton/football/tennis.
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1(b) Consider the following two benefits for TSE of having a well-motivated workforce. Which benefit is likely to be the most important to TSE? Justify your answer.

- Reduced absenteeism
- Low labour turnover

Level	Description	Marks
3	Sound application of knowledge and understanding of relevant business concepts using appropriate terminology. Detailed discussion of both benefits. Well-justified conclusion. Candidates discussing both benefits in detail, in context and with a well-justified conclusion, including why the alternative benefit was rejected, should be rewarded with the top marks in the band.	9–12
2	Sound application of knowledge and understanding of relevant business concepts using appropriate terminology. Detailed discussion of at least one benefit. Judgement with some justification / some evaluation of choice made. Candidates discussing at least one benefit in detail and applying it to the case should be rewarded with the top marks in the band.	5–8
1	Limited application of knowledge and understanding of relevant business concepts. Limited ability to discuss the benefits with little/no explanation. Simple judgement with limited justification / limited evaluation of choice made. Candidates outlining both benefits in context should be rewarded with the top marks in the band.	1–4
0	No creditable response.	0

1(b)	Relevant points might include: <table border="1"> <tr> <td data-bbox="282 156 450 411">Reduced absenteeism</td><td data-bbox="450 156 967 411"> - Production not delayed/disrupted – no delay in producing planned output – meets customer orders and satisfies demand for sports equipment - No need to move skilled employees around to complete tasks for absent employees – more productive – leading to higher output and possibly increased sales if all the output is sold - If fewer absences occur, then may have lower production costs per unit – if absent the employees may still be paid but not producing any output </td></tr> <tr> <td data-bbox="282 411 450 738">Lower labour turnover</td><td data-bbox="450 411 967 738"> - Lower recruitment costs – as fewer skilled employees leave and need to be replaced – less need for advertisements and interviews – saving time and money for HR department - Fewer new employees so less induction training required – reducing training costs and expenses for TSE - May be easier to promote employees internally – as there will be many experienced employees that are employed by the business – they will have more experience of TSE's flow production line, and the chances of promotion will further increase motivation </td></tr> <tr> <td data-bbox="282 738 450 1112">Conclusion</td><td data-bbox="450 738 967 1112"> Justification might include: - Reduced absenteeism is the most important benefit as when skilled employees are absent then other workers will need to move across and do their job, or the production will stop and output will be reduced. Lower labour turnover is less important as employing new workers can bring new ideas to TSE which can help to make the business more successful in the future. - Lower labour turnover is the most important benefit as TSE will not keep losing employees and will not need to spend time and money on recruiting and training new employees to operate the automated production line. This is likely to reduce costs for TSE. </td></tr> </table>	Reduced absenteeism	- Production not delayed/disrupted – no delay in producing planned output – meets customer orders and satisfies demand for sports equipment - No need to move skilled employees around to complete tasks for absent employees – more productive – leading to higher output and possibly increased sales if all the output is sold - If fewer absences occur, then may have lower production costs per unit – if absent the employees may still be paid but not producing any output	Lower labour turnover	- Lower recruitment costs – as fewer skilled employees leave and need to be replaced – less need for advertisements and interviews – saving time and money for HR department - Fewer new employees so less induction training required – reducing training costs and expenses for TSE - May be easier to promote employees internally – as there will be many experienced employees that are employed by the business – they will have more experience of TSE's flow production line, and the chances of promotion will further increase motivation	Conclusion	Justification might include: - Reduced absenteeism is the most important benefit as when skilled employees are absent then other workers will need to move across and do their job, or the production will stop and output will be reduced. Lower labour turnover is less important as employing new workers can bring new ideas to TSE which can help to make the business more successful in the future. - Lower labour turnover is the most important benefit as TSE will not keep losing employees and will not need to spend time and money on recruiting and training new employees to operate the automated production line. This is likely to reduce costs for TSE.
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