

1(a)	Explain <u>two</u> advantages and <u>two</u> disadvantages to Jemi of buying a franchise. Award 1 mark for each advantage/disadvantage (max 2 advantages/max 2 disadvantages). Award a maximum of 1 additional mark for each explanation of the advantage/disadvantage of buying a franchise which must be applied to this context. Relevant advantages might include: • Risk of business failure to the franchisee is much reduced – because the brand is well-known with people who like eating vegan meals • The franchisor pays for national advertising – reducing the costs of promotion for the restaurant • Supplies are obtained from central sources / quality will be assured as already checked by the franchisor – less need to research suppliers of plant-based ingredients • Fewer decisions to be made • Training for employees and management is provided/arranged by the franchisor • Banks may be more willing to lend as risk of failure is lower Relevant disadvantages might include: • Less independence than when operating a non-franchise business / franchisor will impose strict controls over what is allowed – which meals to sell • May be unable to make decisions to suit the local areas – and some local vegetables may be more popular than others nationally • Licence fee must be paid to the franchisor – costs \$50 000 • Local advertising will still have to be paid for by the franchisee • Royalty payment made to franchisor each year For example: The risk of business failure is much reduced (1) because the brand is well-known with people who like eating vegan meals (app). Application could include: restaurant; vegan target market; plant-based ingredients; meals; fruit and vegetables; \$50 000; chefs; working 40 hours a week; 12 employees; increasing trend for people eating vegan meals; eating less meat is good for the environment; menus; recipes.
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1(b)	Using Appendix 1 and other information, consider the following <u>two</u> applicants for the position of chef at Jemi's new restaurant. Which applicant should Jemi employ? Justify your answer. • Tianna • Vea		
	Level	Description	Marks
	3	Sound application of knowledge and understanding of relevant business concepts using appropriate terminology. Detailed discussion of both applicants. Well-justified recommendation. Candidates discussing both applicants in detail, in context and with a well-justified recommendation, including why the alternative applicant 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 applicant. Judgement with some justification/some evaluation of choice made. Candidates discussing at least one applicant 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 applicants with little/no explanation. Simple judgement with limited justification/limited evaluation of choice made. Candidates outlining both applicants 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="368 185 632 734">Tianna</td><td data-bbox="632 185 1393 734"> - Wage costs are \$4 per hour more than Veal - Working 40 hours a week will mean wage costs will be \$480 compared to \$320 for Veal - On-the-job training required by a chef at another franchise restaurant – cheaper to train than Veal at \$1000 rather than \$10 000 - Training specific to franchise meals – training more appropriate and focused on VV needs – only requires a short period before ready to start work – 2 weeks - Already qualified chef with many years' experience – should settle to the VV job quickly – may have good ideas from working in several restaurants over 20 years – may be able to improve efficiency – reducing unit costs of meals </td></tr> <tr> <td data-bbox="368 734 632 1384">Veal</td><td data-bbox="632 734 1393 1384"> - Wages are cheaper at \$8 per hour than Tianna at \$12 per hour – working 40 hours then wage cost is \$320 – maybe helping to reduce total costs and increase profit - Off-the-job training at a chef training centre – may teach the latest techniques – so brings new ideas to the restaurant – may lead to increases in efficiency - Will be 10 weeks before they can start work as a fully qualified chef and this may delay the opening of the restaurant – delaying the inflow of revenue from customers - Only part-qualified so may not be as efficient and may produce lower quality meals - Has worked for 10 years assisting chefs in other vegan restaurants – may have more experience of producing these types of meals and the ingredients required </td></tr> <tr> <td data-bbox="368 1384 632 1762">Recommendation</td><td data-bbox="632 1384 1393 1762"> Justification might include: - Tianna should be employed to be the chef at the new vegan restaurant. She is fully qualified and will not take as long to be trained and working to produce franchise meals. Veal is not suitable as she is only part-qualified and will take a lot longer at 10 weeks before she can start to work in the restaurant which may delay the opening. - Veal should be employed as she is a lot cheaper to employ than Tianna at \$8 per hour giving a lower wage cost of \$320 per week. </td></tr> </table>	Tianna	- Wage costs are \$4 per hour more than Veal - Working 40 hours a week will mean wage costs will be \$480 compared to \$320 for Veal - On-the-job training required by a chef at another franchise restaurant – cheaper to train than Veal at \$1000 rather than \$10 000 - Training specific to franchise meals – training more appropriate and focused on VV needs – only requires a short period before ready to start work – 2 weeks - Already qualified chef with many years' experience – should settle to the VV job quickly – may have good ideas from working in several restaurants over 20 years – may be able to improve efficiency – reducing unit costs of meals	Veal	- Wages are cheaper at \$8 per hour than Tianna at \$12 per hour – working 40 hours then wage cost is \$320 – maybe helping to reduce total costs and increase profit - Off-the-job training at a chef training centre – may teach the latest techniques – so brings new ideas to the restaurant – may lead to increases in efficiency - Will be 10 weeks before they can start work as a fully qualified chef and this may delay the opening of the restaurant – delaying the inflow of revenue from customers - Only part-qualified so may not be as efficient and may produce lower quality meals - Has worked for 10 years assisting chefs in other vegan restaurants – may have more experience of producing these types of meals and the ingredients required	Recommendation	Justification might include: - Tianna should be employed to be the chef at the new vegan restaurant. She is fully qualified and will not take as long to be trained and working to produce franchise meals. Veal is not suitable as she is only part-qualified and will take a lot longer at 10 weeks before she can start to work in the restaurant which may delay the opening. - Veal should be employed as she is a lot cheaper to employ than Tianna at \$8 per hour giving a lower wage cost of \$320 per week.
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