

4(a)	Define ‘commission’. Award 2 marks for a full definition. Award 1 mark for a partial definition. <u>Payment to employees</u> relating to the number/value of sales made [2] Partial definition e.g. money based on sales / what sold [1]
4(b)	Identify <u>two</u> external users of accounts. Award 1 mark per user of external accounts (max 2). Points might include: • Banks/lenders • Suppliers • Government • Potential investor • Local community/pressure groups Other appropriate responses should be credited.

4(c)	Identify <u>four</u> ways the information in a statement of financial position can be used. Award 1 mark per way (max 4). Points might include: • Calculate working capital • Calculate current ratio • Calculate acid test ratio • Shows how the business finances its activities / shareholders can see how any expansion has been funded • Shows the assets the business owns / what the business owns • Show value of liabilities / what the business owes • Support loan application / raise finance / show investors • Show value of the business / what the business is worth • Compare performance over time • Compare performance against competitors Other appropriate responses should be credited.
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4(d)	Explain <u>two</u> possible reasons why providing training for its employees is important to RHN. Award 1 mark for identification of each relevant reason (max 2). Award 1 mark for each relevant reference to this business (max 2). Award 1 mark for each relevant explanation (max 2). Points might include: • More skilled / flexible employees [k] so can cover absences of others [an] in its 50 shops [app] • Fewer mistakes / better quality (service) [k] from its 290 employees [app] which could improve its reputation [an] • Increases motivation [k] which can help reduce labour turnover [an] which is helpful as uses internal recruitment [app] • Fewer customer complaints [k] about its clothing [app] increasing customer loyalty [an] • Less supervision needed [k], so managers have time to focus on other activities [an] • Improves efficiency/productivity [k] • Fewer accidents / ensure safe working conditions [k] • Able to train others [k] reducing training costs [an] • Provide new ideas / improves innovation [k] • Helps attract (potential) employees [k] • Helps introduce a new process [k] Other appropriate responses should be credited.
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4(e)	Do you think the advantages for a business of using internal recruitment are greater than the disadvantages? Justify your answer. Award up to 2 marks for identification of relevant points. Award up to 2 marks for relevant development of points. Award up to 2 marks for a justified decision as to whether the advantages of internal recruitment for a business are greater than the disadvantages. Points might include: Advantages: • Employees know the business [k] so can start <u>work</u> more quickly / less training needed [an] • Low cost/cheaper [k] which reduces cash outflows / as do not have to spend funds on job advertisements [an] • Less time-consuming / quicker [k] which means time can be used for other purposes [an] • Can motivate employees [k] so reducing labour turnover / encourages employee loyalty / improve efficiency [an] • Company knows the employee [k] which reduces risk / likelihood of employing someone who is not appropriate for the job [an] Disadvantages: • Suitable candidates may not be available / employees may not have experience / skills needed [k] which could lead to mistakes / wrong actions taken [an] • Reduces pool / fewer potential candidates [k] • Would create another vacancy for the business to fill [k] • Could create resentment / jealousy among those not selected [k] which could demotivate these employees [an] • Lack of new ideas [k] so business may become less competitive [an]
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4(e)	Other appropriate responses should be credited. Justification might include: Internal recruitment is cheaper [k] which reduces cash outflows [an]. However, the current employees may not have skills needed [k] leading to mistakes being made [an]. The potential disadvantages are greater because those mistakes could damage the businesses reputation [eval] which is likely to cost the business more money in the long term. [eval]
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