4 **(a)** Explain **one** effect on PF of the increase in each of the **two** taxes outlined in Appendix 2.

Tax on people's income: ....

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Explanation: ....

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Tax on profit made by businesses: ....

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Explanation: ....

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[8]

(b) Using Appendix 3 and other information, consider PF's financial position in 2025 and forecast financial position in 2026. Do you think Philip's sister should invest in PF? Justify your answer using suitable calculations.

2025: ....

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2026 (forecast): ....

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Recommendation: ....

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[12]