4 CFG is a social enterprise. It buys cocoa beans from local farmers and then uses the beans to make chocolate. Being ethical is important to the business. CFG has developed a new chocolate bar. The Marketing Manager plans to use skimming as its pricing method, and retailers as its distribution channel for the new product. He knows there are many legal controls over marketing that might affect a business.

(a) Define 'social enterprise'.

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.... [2]

(b) Identify **two** ways legal controls over marketing might affect a business.

Way 1: ....

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Way 2: ....

.... [2]

(c) Outline **one** advantage and **one** disadvantage to CFG of using skimming as its pricing method.

Advantage: ....

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Disadvantage: ....

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.... [4]

(d) Explain **one** advantage and **one** disadvantage to CFG of using retailers as its distribution channel for the new product.

Advantage: ....

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Explanation: ....

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Disadvantage: ....

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Explanation: ....

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.... [6]

(e) Do you think being ethical will always lead to lower profit for a business? Justify your answer.

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.... [6]