

1 WMH is a business which operates in the secondary sector. It makes furniture including tables and chairs. WMH's employees are all members of a trade union. The Managing Director knows the business is likely to remain small. She is considering introducing new technology into WMH's factory. She also knows it is important for a manufacturing business to choose a suitable location for a factory.

(a) Define 'trade union'.

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(b) Define 'secondary sector'.

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(c) Identify **four** reasons why a business might remain small.

Reason 1:

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Reason 2:

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Reason 3:

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Reason 4:

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(d) Explain **two** possible effects of WMH introducing new technology.

Effect 1:

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Explanation:

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Effect 2:

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Explanation:

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(e) Explain **two** factors a manufacturing business should consider when deciding on a suitable location for a factory. Which factor is likely to be the most important? Justify your answer.

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Table 2.1

Extract from CPW's statement of financial position for 2024 (\$ million)	
Non-current assets	120
Current assets	70
Current liabilities	110
Non-current liabilities	75

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Non-current asset:

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Current liability:

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Way 1:

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Way 2:

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[4]

Factor 1:

Explanation:

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Factor 2:

Explanation:

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⑤

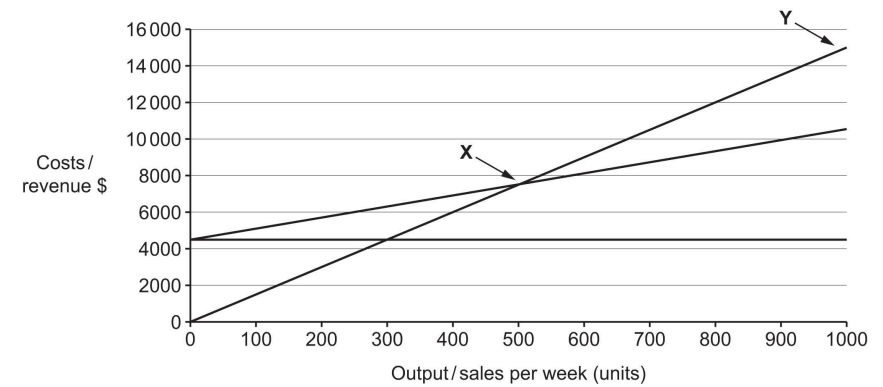


Fig. 3.1

(a) Identify **X** and **Y**.

X:
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Y:
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(b) Define 'margin of safety'.

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(c) Outline **two** advantages of Vicki delegating tasks to her employees.

Advantage 1:

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Advantage 2:

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[4]

(d) Explain **two** possible effects an economic recession might have on Vicki's business.

Effect 1:

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Explanation:

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Effect 2:

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Explanation:

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[6]

(e) Explain **two** methods of training a business might use. Which is likely to be the best method for a service business to use? Justify your answer.

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4 MTL is a large business which sells children's toys. MTL wants to act ethically with all of its stakeholder groups including its 430 employees. The market MTL operates in has become more competitive. The business uses a range of methods to promote its products. Having a good brand image is important. MTL's directors are considering entering a new market in another country. They are aware there may be problems if they choose to do this.

(a) Define 'brand image'.

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(b) Identify **two** reasons why some markets have become more competitive.

Reason 1:

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Reason 2:

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[2]

(c) Outline **one** way MTL could act ethically with each of the following stakeholder groups:

Employees:

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Customers:

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[4]

(d) Explain **two** problems MTL might have when entering a new market in another country.

Problem 1:

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Explanation:

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Problem 2:

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Explanation:

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[6]

(e) Explain **two** methods of promotion a business might use for its products. Which method is likely to be the best for a large business to use? Justify your answer.

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