1(a)	**Define 'trade union'.** Award 2 marks for a full definition. Award 1 mark for a partial definition. • Group of <u>workers</u> who join together to ensure their interests are protected [2] • An organisation of employees aimed at improving pay and working conditions [2] • An organisation that exists to provide <u>workplace</u> support for its members [2] Partial definition e.g. • Group of <u>workers/employees</u> (who join together) [1] • People/organisation who fight for employee/worker rights [1] • Stand for worker`s rights/protect workers [1] • Group of people who protect workers [1] • An organisation that ensures workers' rights are not violated [1]

1(b)	**Define 'secondary sector'.** Award 2 marks for a full definition. Award 1 mark for a partial definition. Businesses that: • Process/manufacture goods from natural resources [2] • Manufacture goods using the raw materials provided by the primary sector [2] • Use manufacturing to transform the raw materials generated in the primary sector into a product [2] • Converts raw materials into manufactured goods [2] Partial definition e.g. • Makes products [1] • Manufactures goods [1] • Refines/processes raw materials [1]

1(c)	**Identify <u>four</u> reasons why a business might remain small.** Award 1 mark per reason (max 4). Points might include: • Limited access to/lack of capital (to expand) • Limited access to/lack of suitable labour • Limited access to/lack of suitable land • Limited access to/lack of suitable resources/raw materials • Personal preference / owners' choice / owner does not want the responsibility / wants to keep control • Lack of skills/knowledge/experience (to expand) • Size of the market / amount of customers / level of demand / small market • To maintain close customers relationships / provide a personal service / type of industry • Some large firms dominate the market / low market share / too much competition • Can be flexible / respond quickly to changes in customer tastes • No economies of scale / to avoid diseconomies of scale • Operating at maximum possible output Other appropriate responses should be credited.

1(d)	**Explain <u>two</u> possible effects of WMH introducing new technology.** Award 1 mark for identification of each relevant effect (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: Positive effects: • Improve quality / less waste / fewer mistakes [k] leading to a better reputation [an] for its furniture [app] • Increases productivity / efficiency / quicker production [k] leading to lower (average) costs [an] for this small business [app] • Improved communication [k] leading to fewer mistakes / better efficiency [an] in the factory [app] • Can design new products [k] which may increase sales / access new markets [an] • Greater job satisfaction/motivation [k] reducing absenteeism/lowering labour turnover [an] • Employees may gain new skills [k] leading to higher pay/chances of promotion [an] • Reduces time/costs to design new products [k] • Increase output [k] • Safer workplace [k]

1(d)	Negative effects: • Purchasing new equipment / expensive to buy/set up [k] increasing cash outflows/debt [an] • Need to train workers [k] which can increase costs [an] • If technology is rapidly changing it will need to change often to remain competitive [k] which will increase costs [an] • Some employees may lose their jobs/made redundant [k] • May demotivate employees [k] Other appropriate responses should be credited.
1(e)	**Explain <u>two</u> 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.** 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 justified decision as to which location factor is likely to be the most important for a manufacturing business.

1(e)	Points might include: • Access to skilled labour [k] as may be difficult to find/recruit / could increase recruitment/labour costs [an] • Access to raw materials/components [k] so production is not delayed [an] • Availability / rent of suitable land [k] which could restrict size of factory / increase fixed costs [an] • Good transport links [k] to ensure materials arrive / products sent when needed [an] • Proximity to market [k] to ensure sales/revenue can be made [an] • Type of product [k] a fragile/heavy product may need to be closer to customers to reduce risk of damage/cost [an] • Government grants [k] which could help reduce costs [an] • Legal controls [k] which may prevent the business from locating in certain areas [an] • Access to utilities/power/water [k] as needed for production [an] • Trade barriers [k] • Security of the area/level of crime [k] Other appropriate responses should be credited. Justification might include: Skilled labour [k] if difficult to find could increase recruitment costs [an]. Another factor is availability of suitable land [k] which could restrict the size of the factory [an]. Having suitable land is more important because this might limit output which could reduce its ability to meet demand [eval] whereas a business can train employees, and the extra cost might be covered by the additional revenue gained [eval].

4(a)	**Define 'tertiary sector'.** Award 2 marks for a full definition. Award 1 mark for a partial definition. • Industry/industries which provide services to consumers/customers and/or other sectors of the economy [2] • Businesses that supply a service to consumers and/or other businesses [2] Partial definition e.g. • Provide services [1]
4(b)	**Define 'job description'.** Award 2 marks for a full definition. Award 1 mark for a partial definition. • Outlines the responsibilities and duties to be carried out by someone to do a (specific) job [2] • A list of the key points about a job, job title, key duties, responsibilities and accountabilities [2] • A description of the tasks, roles, and responsibilities of a particular position [2] Partial definition e.g. • States what the job involves [1]

4(c)	**Identify <u>four</u> financial rewards a business could use.** Award 1 mark per financial reward (max 4). Points might include: • Time-rate • Piece-rate • Salary • Bonus • Commission • Profit sharing • Fringe benefits or examples e.g. discounts on business goods • Share ownership Other appropriate responses should be credited.

4(d)	**Explain <u>two</u> ways ZPR could use to advertise its job vacancies externally.** Award 1 mark for identification of each relevant way (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: • National newspapers [k] especially as it is difficult to recruit employees [app] so could attract people from a wider area/whole country [an] • Recruitment agencies [k] as need 2 chefs [app] and the agency will do all the work for the business (saving time) [an] • Specialist magazines [k] such as one aimed at restaurants [app] as potential employees are more likely to see it [an] • <u>Company</u> website [k] of this tertiary sector business [app] as there is likely to be no fee/free [an] • Online recruitment sites [k] which can reach a large number of people [an] • (Government run) job centres [k] • Visiting universities/colleges [k] • Local newspapers [k] Other appropriate responses should be credited.

4(e)	**Explain two factors a business should consider when deciding who to recruit. Which factor is likely to be most important for a tertiary sector business? 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 which factor is likely to be the most important for a tertiary sector business to consider when deciding who to recruit. Points might include: • Experience/skills [k] as this shows the person is able to do the job [an] AND/OR may expect higher wages [an] • Education/qualifications [k] as person is likely to make less mistakes / provide better service [an] • Personality/attitude/whether trustable [k] as may want someone willing to learn [an] • Punctuality/disciplinary record [k] as if they are late, it could cause delays [an] Other appropriate responses should be credited. Justification might include: One factor is skills [k] as this shows that the person is able to do the job [an]. Another factor is personality [k] as someone with the right personality may be more willing to learn [an]. Skills are the most important as fewer mistakes can lead to a better reputation [eval] which is especially important for a tertiary sector business, whereas simply being willing to learn does not mean they can do the job [eval].

3(a)	**Define 'private sector'.** Award 2 marks for a full definition. Award 1 mark for a partial definition. • (When business activities are) owned by individuals [2] • (The part of the economy that is) controlled by individuals and companies for profit [2] Partial definition e.g. • Not government/state controlled [1] • Run/controlled by individuals [1]

3(b)	**Identify <u>two</u> reasons why new businesses are at a greater risk of failure.** Award 1 mark for each reason (max 2). Points might include: • Lack of finance/(start-up) capital • Cash flow problems/lack of liquidity • Level of competition/market already saturated • Lack/low level of customers/demand/sales/lack of customer loyalty • Poor planning/no business plan/lack of objectives • Lack of (managerial/business) experience/skills • Inadequate/no market research/poor marketing • No/low reputation/brand awareness/brand image Other appropriate responses should be credited.
3(c)	**Identify <u>four</u> stakeholder groups a business might have.** Award 1 mark for each stakeholder group (max 4). Points might include: • Employees/workers • Managers/directors • Owners/shareholders • Suppliers • Lenders/banks • Government • <u>Local</u> community • Customers Other appropriate responses should be credited.

3(d)	**Explain <u>two</u> characteristics Hal will need to become a successful entrepreneur.** Award 1 mark for identification of each relevant characteristic (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: • Risk-taking [k] especially as plans to leave his job [app] because the owner may lose their investment [an] • Hard-working [k] as must be ready to do everything on own/as may have to work long hours [an] to set up his bakery [app] • Creative [k] as having (new) ideas can help gain customers [an] for his private sector business [app] • Effective communicator/persuasive [k] with his stakeholders [app] as may need to convince its banks/suppliers/customers to lend/provide/buy goods [an] • Perseverance/determination/resilience/self-motivated [k] so needs to be prepared to keep going when faced with problems [an] • Optimistic [k] so always think they will/can succeed [an] • (Self-) confident [k] so convince people/banks to invest [an] • Independent [k] as be able to work without any help [an] • Innovative [k] Other appropriate responses should be credited.

3(e)	**Do you think a bank loan is the best source of start-up capital for a new business? 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 a bank loan is the best source of start-up capital for a new business. Points might include: Bank loan • Quick to arrange [k] so does not delay plans/so can pay bills on time [an] • Must pay interest [k] increasing costs/expenses/cash outflows [an] • Must repay [k] • Able to obtain large/full amount [k] • May need security/collateral [k] which may not be available for a start-up / so personal assets may be at risk [an] Other methods could include: • Own savings [k] as no need to repay [an] • Borrow from friends/family [k] as may give long time to repay [an] • Overdraft [k] can arrange quickly/only pay interest when used [an] • Government grant [k] which has no interest [an] • Crowdfunding [k] but no guarantee can raise full amount [an] Other appropriate responses should be credited.

3(e)	Justification might include: One advantage of a bank loan is it is quick to arrange [k] so does not delay plans/ability to pay bills straightaway [an]. Another source is own savings [k] because there is no need to repay [an]. A bank loan is the best source because speed means they do not miss out on the opportunity whereas it can take time to build up enough savings [eval], and by the time they do, there may be insufficient demand [eval].

4(a)	**Identify <u>two</u> services provided by businesses in the tertiary sector.** Award 1 mark for each relevant service. [max 2]. Points might include: • Banking • Retailing • Hotels • Holidays/tourism • Restaurant • Insurance • Accountancy • Advertising • Hairdressing • Entertainment • Transporting • Legal services • Education • Healthcare/medical/hospitals Other appropriate responses should be credited.

4(b)	**Identify <u>two</u> objectives a social enterprise might have.** Award 1 mark for each relevant objective [max 2]. Points might include: • To make a profit to reinvest back into the business • Social benefit/welfare or examples e.g. to benefit/improve local community/disadvantaged groups in society • To protect the environment/environmental issues Other appropriate responses should be credited.
4(c)	**Outline <u>two</u> benefits to SEP of having part-time employees.** Award 1 mark for each relevant benefit [max 2]. Award 1 mark for each relevant explanation in context [max 2]. Points might include: • Cheaper than full-time / reduce labour costs / no need to pay when not working [k] which may help have low prices [app] • More flexible hours of work [k] when selling books [app] • Can ask/more likely to work at busier times [k] for the social enterprise [app] • Can/more likely to extend working hours [k] for the tertiary sector business [app] • Provides a range of skills/experience [k] among the 10 employees [app] • Helps attract well-qualified employees who need flexible hours [k] • Can help keep experienced staff [k] Other appropriate responses should be credited.

4(d)	**Explain <u>two</u> reasons why training is important to SEP.** Award 1 mark for 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: • Increase knowledge/skills/flexibility [k] of the 10 employees [app] which can increase the quality of the service offered [an] • Increase motivation [k] in the social enterprise [app] which can increase productivity/efficiency [an] • Better quality (service) / decrease errors [k] when dealing with the books [app] which can decrease waste/cost [an] • Increase efficiency [k] of the tertiary sector business [app] which can lower <u>average/unit</u> cost [an] • Fewer accidents / ensure safe working conditions [k] to avoid legal action [an] • Able to train others [k] reducing training costs [an] • Help introduce a new process [k] which could lower mistakes [an] • To attract (new/potential) employees [k] Other appropriate responses should be credited.

4(e)	**Do you think the introduction of a legal minimum wage will always have a negative effect on a business? Justify your answer.** Award 1 mark for each relevant point [max 2] Award 1 mark for each relevant explanation [max 2]. Award up to 2 marks for a justified decision as to whether the introduction of a legal minimum wage will always have a negative effect on a business. Points might include: • May encourage more people to apply for jobs [k] making it easier to recruit [an] • Business may already pay above minimum wage so would have limited/no effect on costs [k] • Increase motivation [k] increasing productivity/reduce absenteeism/labour turnover [an] • Have to pay more to employees [k] which will increase costs [an] so may have to increase prices [an] • May not be able to afford to pay all workers the higher wage rate [k] so may have to make redundancies [an] • Other workers being paid more than the minimum wage may ask for a wage increase [k] • May have to find other ways to reduce costs [k] which may reduce quality [an] Other appropriate responses should be credited. Justification might include: It may increase motivation [k] increasing productivity [an]. However, it can lead to high costs [k] so prices may have to be increased [an]. The introduction of a minimum wage may not always have a negative effect as it will apply to all businesses so competitors may also have to increase their prices so the business may not lose any competitive advantage [eval]. The increase in productivity could even offset some of the increase in cost [eval].

3(a)	**Define 'private sector'.** Award 2 marks for a full definition. Award 1 mark for a partial definition. The part of the economy that is controlled by individuals/companies for profit [2] OR When business activities are owned by individuals / group of individuals [2] Partial definition e.g. run by individuals [1]
3(b)	**Calculate the value of LRL's market share in 2023.** Award 2 marks for a correct answer. Award 1 mark for correct method but incorrect answer. Correct answer [2] $36 million OR $36 000 000 Method e.g: • (Percentage ÷100) x total value of sales in market = value of business sales [1] • 120 × 30% [1] If correct answer given with no working shown, award 2 marks.

3(c)	**Outline <u>two</u> ways LRL could contribute to sustainable development.** Award 1 mark for identification of each relevant way (max 2). Award 1 mark for each relevant reference to this business (max 2). Points might include: • Reduce amount/number of resources used [k] when making skincare products [app] • Develop environmentally friendly products [k] which could help the marketing mix [app] • Use environmentally friendly methods of production [k] at this private sector business [app] • Use environmentally friendly materials / buy materials from sustainable sources [k] which may help improve customer loyalty [app] • Use environmentally friendly packaging / reduce packaging • Reduce waste [k] • Reuse products/materials [k] • Recycle products/materials [k] • Replant trees [k] Other appropriate responses should be credited.

3(d)	**Explain <u>two</u> advantages to LRL of maintaining customer loyalty.** Award 1 mark for each relevant advantage (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: • Easier to match products to existing customer needs [k] reducing wastage [an] as know which are the popular types of skincare products [app] • Improve / good reputation / brand image [k] so less promotion needed / lower cost (of advertising) [an] by this private sector business [app] • Increase sales / customers [k] which could increase revenue / market share [an] above $36m [app] • Encourages existing customers to try new products [k] • May be able to increase prices [k] which would increase profit margin [an] Other appropriate responses should be credited.
3(e)	**Explain two elements of the marketing mix. Which do you think is the most important element for a business? 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 which is the most important element of the marketing mix for a business. Points might include:

3(e)	Promotion [k] • Raises awareness / informs potential customers [an] leading to more sales [an] • Attracts / persuades potential customers [an] increasing revenue [an] • Creates / builds brand image [an] increasing customer loyalty [an] • Way to communicate with customers [an] Product [k] • Without a product there is nothing to sell / if dislike the product customers will not buy it [an] • A poor / bad quality product will not last long in the market [an] so time / money spent developing it would be wasted [an] • Good quality product can encourage customer loyalty [an] • Good quality can improve brand image [an] Place [k] • Close / near target market / customers [an] to ensure sales [an] • A suitable location might have high rent [an] leading to increased costs / higher prices [an] Price [k] • A low price could create image of low quality [an] damaging its reputation [an] • If price is too low, may not cover costs [an] • If the price is too high, the business may be less competitive [an] lowering market share [an] • If the price is too high, could lead to fewer sales (as customers cannot afford it) [an

3(e)	Other appropriate responses should be credited. Justification might include: One element is promotion [k]. This is important as more people are aware of your business [an]. The product also matters [k] as this is what people are buying so without a product there is nothing to sell [an]. Product is the most important element, because if it is unique, this can help the business standout [eval] which means the business has a better chance of attracting / maintaining customers. [eval]