1 **(a)** Explain **two** advantages and **two** disadvantages of a business being a private limited company.

Advantage 1: ....

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Advantage 2: ....

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Disadvantage 1: ....

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Disadvantage 2: ....

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[8]

(b) Consider the following **three** economies of scale for LB. Which economy of scale is likely to have benefited LB the most? Justify your answer.

- Financial
- Purchasing
- Managerial

Financial: ....

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Purchasing: ....

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Managerial: ....

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Conclusion: ....

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[12]

1 **(a)** Explain **two** advantages and **two** disadvantages to Philip of changing PF from a sole trader business to a private limited company.

Advantage 1: ....

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Advantage 2: ....

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Disadvantage 1: ....

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Disadvantage 2: ....

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[8]

(b) Consider each of the following **three** methods PF could use to motivate its employees. Which method should PF use? Justify your answer.

- Paying bonuses
- Piece-rate
- Job rotation

Paying bonuses: ....

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Piece-rate: ....

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Job rotation: ....

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Recommendation: ....

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[12]

1 **(a)** Explain **two** advantages and **two** disadvantages to Jemi of buying a franchise.

Advantage 1: ....

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Advantage 2: ....

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Disadvantage 1: ....

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Disadvantage 2: ....

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[8]

(b) Using Appendix 1 and other information, consider the following **two** applicants for the position of chef at Jemi's new restaurant. Which applicant should Jemi employ? Justify your answer.

- Tianna
- Vea

Tianna: ....

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Vea: ....

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Recommendation: ....

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[12]

3 JTA is a public limited company. It sells holidays in a mass market. The business has 44 shops and 200 employees. The Finance Director is considering ways a business can increase its profit. She has been asked to analyse JTA's financial performance using ratio analysis. An extract from JTA's financial statements is shown in Table 3.1.

Table 3.1

Extract from JTA's financial statements for 2023 ($ million)	
Revenue	900
Profit	100
Capital employed	800

(a) Define 'capital employed'.

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.... [2]

(b) Calculate JTA's return on capital employed (ROCE). Show your working.

Working: ....

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Final answer: .... [2]

(c) Outline **two** benefits to JTA of selling in a mass market.

Benefit 1: ....

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Benefit 2: ....

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.... [4]

(d) Explain **one** advantage and **one** disadvantage of JTA being a public limited company.

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 increasing prices is the best way for a business to increase its profit? Justify your answer.

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.... [6]

1 **(a)** Explain **two** advantages and **two** disadvantages of BB being a public limited company.

Advantage 1: ....

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Advantage 2: ....

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Disadvantage 1: ....

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Disadvantage 2: ....

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.... [8]

(b) Consider the advantages and disadvantages of the following **three** methods BB could use to motivate its production workers. Which method should BB use? Justify your answer.

- Piece rate
- Teamworking
- Job rotation

Piece rate: ....

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Teamworking: ....

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Job rotation: ....

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Recommendation: ....

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.... [12]

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]