

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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[2]

Non-current asset:

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Current liability:

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[2]

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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[6]

[illegible]

[6]

(a) Identify **two** ways business activity can affect the environment.

Way 1:

Way 2:

[2]

(b) Identify **two** reasons why a business should respond to environmental pressures.

Reason 1:

Reason 2:

[2]

(c) Outline **two** ways economic growth might affect STB.

Way 1:

Way 2:

[4]

(d) Explain **two** benefits to STB of using job production.

Benefit 1:

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Explanation:

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Benefit 2:

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Explanation:

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..... [6]

(e) Do you think employees are the most important stakeholder group for a manufacturing business? Justify your answer.

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4 HYT is a travel business which sells holidays. One of its objectives is growth. Last year HYT completed a takeover of one of its competitors. External sources of finance were used to fund this growth. HYT now has 460 shops and 4000 employees. The Human Resources Director knows there are benefits and limitations for a business of having full-time employees. HYT's managers use ideas from Herzberg's motivational theory to keep employees motivated. Good internal communication is important for HYT.

(a) Identify **two** objectives (other than growth) a business might have.

Objective 1:

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Objective 2:

..... [2]

(b) Identify **two** advantages to a business of using external sources of finance.

Advantage 1:

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Advantage 2:

..... [2]

(c) Using Herzberg's theory, state whether each of the following would be classed as a hygiene factor or as a motivator.

Working conditions:

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Wages:

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Opportunities for promotion:

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Relationship with supervisor:

..... [4]

(b) Consider the following **two** ways TSE could use to increase efficiency. Which way should TSE use? Justify your answer.

- Improving labour skills
- Increasing automation and technology

Improving labour skills:

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Increasing automation and technology:

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Recommendation:

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3 HRO manufactures children's toys. It is a private limited company. The main objective of HRO's shareholders is to increase profit. This might conflict with the objectives of other stakeholder groups, including its 30 suppliers. HRO's Managing Director knows that market research can help when making marketing decisions. The Finance Director is preparing HRO's statement of financial position. An extract is shown in Table 3.1.

Table 3.1

Extract from HRO's statement of financial position at 30 June 2024 (\$000s)	
Non-current assets	480
Current assets	250
Current liabilities	200
Non-current liabilities	300

(a) Define 'non-current assets'.

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..... [2]

(b) Calculate HRO's current ratio. Show your working.

Working:

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Final answer: [2]

(c) State whether each of the following would be classified as a current asset or as a current liability.

Trade receivables:

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Trade payables:

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Overdraft:

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Inventory:

..... [4]

(d) Explain **one** way the objective of HRO's shareholders to increase profit might conflict with the objectives of each of the following stakeholder groups:

Customers:

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Explanation:

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Suppliers:

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Explanation:

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(e) Do you think the advantages to a business of using primary market research are greater than the disadvantages? Justify your answer.

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