

..... [4]

1 Amir and Carla are business partners. They own a luxury hotel which operates in a niche market. The business has a short hierarchical structure. Amir and Carla use Herzberg's theory of motivation to keep their 5 employees well motivated. Amir and Carla are considering opening another hotel in a different city. They will need to identify a suitable source of finance if they decide to expand. Secondary market research can be used to help a business decide whether it should expand.

(a) Identify **two** motivators from Herzberg's theory of motivation.

Motivator 1:
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Motivator 2:
..... [2]

(b) Identify **two** features of a short hierarchical structure.

Feature 1:
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Feature 2:
..... [2]

(c) Outline **two** advantages to Amir and Carla of operating in a niche market.

Advantage 1:
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Advantage 2:
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..... [4]

(d) Explain **two** sources of finance Amir and Carla could use if they decide to expand.

Source 1:
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Explanation:
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Source 2:
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Explanation:
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..... [6]

(e) Do you think secondary market research is the most appropriate type of market research for a business to use when deciding whether it should expand? Justify your answer.

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1 RSL manufactures paint using flow production. Last year it produced 10 million litres of paint. RSL has 6 managers and 80 employees working in its factory. The managers use different leadership styles. RSL uses email and telephone calls as its methods of internal communication. The Operations Manager wants to understand why some manufacturing businesses are relocating their operations to other countries.

(a) Identify **two** benefits to a business of using flow production.

Benefit 1:
.....
Benefit 2:
..... [2]

(b) Identify **two** reasons why people work.

Reason 1:
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Reason 2:
..... [2]

(c) Outline **one** advantage of RSL using each of the following methods of internal communication.

Email:
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Telephone calls:
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..... [4]

(d) Explain **two** leadership styles RSL's managers might use.

Leadership style 1:
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Explanation:
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Leadership style 2:
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Explanation:
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..... [6]

(e) Explain **two** factors a manufacturing business should consider when relocating its operations to another country. Which factor is likely to be the most important? Justify your answer.

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(a) Define 'commission'.

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(b) Identify **two** external users of accounts.

External user 1:

External user 2:

(c) Identify **four** ways the information in a statement of financial position can be used.

Way 1:

Way 2:

Way 3:

Way 4:

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Reason 1:

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Explanation:

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Reason 2:

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Explanation:

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(e) Do you think the advantages for a business of using internal recruitment are greater than the disadvantages? Justify your answer.

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[6]

- 1 FBM is a boat building business. It has 100 skilled employees. The Operations Director is concerned that FBM holds a high level of inventory. She is also concerned that the business is starting to experience diseconomies of scale. The Finance Director has been asked to analyse FBM's cost and output data. An extract is shown in Table 1.1.

Table 1.1

Extract from FBM's cost and output data	
Variable costs per unit	\$5000
Fixed costs per year	\$600 000
Number of boats made each year	300

- (a)** Define 'diseconomies of scale'.

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- (b)** Identify **two** ways a business can use cost data to help make decisions.

Way 1:

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Way 2:

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[2]

- (c) Identify **four** fixed costs a business might have.

Fixed cost 1:
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Fixed cost 2:
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Fixed cost 3:
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Fixed cost 4:
.....

- (d)** Explain **one** advantage and **one** disadvantage to FBM of holding a high level of inventory.

Advantage:

Explanation:

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Disadvantage:

Explanation:

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- (e) Do you think customers have a more important role in the success of a business than its employees? Justify your answer.

[illegible]