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].

1(a)	**Identify <u>two</u> motivators from Herzberg's theory of motivation.** Award 1 mark for each relevant motivator [max 2]. Points might include: • Achievement • Recognition • Personal growth • Advancement • The work itself Other appropriate responses should be credited.
1(b)	**Identify <u>two</u> features of a short hierarchical structure.** Award 1 mark for each relevant feature [max 2]. Points might include: • Short(er) chain of command • Wide(r) span of control • Quick(er)/fast(er) communication • Top managers are less remote from employees Other appropriate responses should be credited.

1(c)	**Outline <u>two</u> advantages to Amir and Carla of operating in a niche market.** Award 1 mark for each relevant advantage [max 2]. Award 1 mark for each relevant reference to this business [max 2]. Points might include: • Can charge higher prices [k] for its luxury service [app] • Fewer competitors [k] for the hotel [app] • Focus on meeting the needs of customers / can target customers [k] through its 5 employees [app] • Can survive in markets dominated by larger firms [k] which may increase the chance of expanding [app] • Builds up specialist skills/knowledge [k] Other appropriate responses should be credited.
1(d)	**Explain <u>two</u> sources of finance Amir and Carla could use if they decide to expand.** Award 1 mark for each relevant source of finance [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: • Retained profits [k] from the hotel [app] as does not need to pay it back [an] • Bank loans [k] to obtain a large amount of money/varying length of time to repay/quick to arrange [an] for the luxury service [app] • Own(er) savings [k] from the 2 partners [app] as may be readily accessible/no interest to pay [an] • Crowdfunding [k] as no interest to pay [an] Other appropriate responses should be credited.

1(e)	**Do you think secondary market research is the most appropriate method of market research for a business to use when deciding whether it should expand? 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 secondary market research is the most appropriate method of market research for a business to use when deciding whether it should expand. Points might include: Secondary market research: • Low cost [k] so more funds to spend in other areas of the business [an] • Quick to obtain [k] so may speed up decision-making [an] • Data may be out of date [k] so may not make appropriate decisions [an] • Wide range of data [k] • Data may not be relevant [k] • Data is available for all businesses [k] Primary market research [k] • More in-depth information [an] • Specific / only available to the business [an] • Up to date [an] • May not have the necessary skills to collect data [an] • Expensive [an] • Takes time to collect [an] Other appropriate responses should be credited.

1(e)	Justification might include: Secondary market research is cheap [k] so more funds can be invested into other areas of the business [an]. However, the data may be out of date [k] so may make inappropriate decisions [an]. Secondary market research is not the most appropriate method to use because although it is cheap, the wrong decisions about expansion can cost the business even more money in the long run [eval] [eval].

1(a)	**Identify <u>two</u> benefits to a business of using flow production.** Award 1 mark per benefit (max 2). Points might include: • High output / large number of products made • (Purchasing) economies of scale / discounts for bulk buying / low average/unit costs • Lower labour cost / less workers needed • Increased efficiency/productivity / goods are produced quickly • No need to move goods from one part of the factory to another • <u>Consistent/</u>standardised quality. Other appropriate responses should be credited.
1(b)	**Identify <u>two</u> reasons why people work.** Award 1 mark per reason (max 2). Points might include: • (Earn) money/wage/salary/improve standard of living • <u>Job</u> satisfaction / feel as if you have done a good job • Safety/security for example job security • Social or examples such as feel part of a group/company • Esteem/recognition/status/feel important/valued • Opportunity to reach potential / challenge self to do new things • Help people/provide a service to community/others. Other appropriate responses should be credited.

1(c)	**Outline <u>one</u> advantage of RSL using each of the following methods of internal communication.** Award 1 mark for identification of each relevant advantage (max 2). Award 1 mark for each relevant reference made to this business (max 2). Points might include: Email: • A lot of information/detail/documents can be shared [k] with the 80 employees [app] • Can send information/message to multiple people at the same time [k] about the paint [app] • Keep a copy (to refer to) [k] • Can communicate with people in a different location [k] • Low cost/cheap [k] • Can check if the message has been read [k] Telephone calls: • Quick [k] if there is a problem using flow production [app] • Opportunity for (instant) questions/discussion/decisions [k] with one of the 6 managers [app] • Feedback (straightaway) [k] Other appropriate responses should also be credited.

1(d)	**Explain <u>two</u> leadership styles RSL's managers might use.** Award 1 mark for each relevant leadership style (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: • Autocratic [k] when the manager instructs/ tells workers what to do [an] when using flow production [app] • Democratic [k] when one of its 6 managers [app] asks employees for their ideas/opinions before making a decision [an] • Laissez-faire [k] when the managers leave it up to the employees to make decisions/decide what to do [an] when making paint [app] Other appropriate responses should be credited.

1(e)	**Explain <u>two</u> 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.** 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 manufacturing business when relocating its operations to another country. Points might include: • Access to raw materials [k] as without materials it can delay/stop production [an] so not able to meet orders [an] • Labour issues e.g. cost/access to suitable/skilled/enough employees [k] as lower wage rates could help lower labour costs [an] increasing its profit margin [an] • Land issues e.g. availability/cost of suitable land [k] which could increase/lower fixed costs [an] • Trade restrictions such as tariffs/quotas [k] as quotas could limit the amount of goods allowed into a country [an] • Availability of government grants / rates of taxation [k] which could reduce the amount of finance needed [an] • Legal controls [k] as this could stop/determine where the business can operate [an] • Infrastructure (accept only once) e.g. access to utilities, communications [k] as without suitable power it would be difficult to operate (efficiently) [an] • Available market/demand for the product/level of competition [k] which may reduce transport costs [an] • Language/cultural problems [k]

1(e)	Other appropriate responses should be credited. Justification might include: Access to raw materials [k] without materials there may be delays in production [an]. Another factor is employees [k] as a lack of skills could lead to lower quality products [an]. Access to raw materials is the most important because without materials there is nothing to sell, lowering potential revenue [eval]. However, a business could train employees to produce quality products [eval].

IGCSE Business Studies: **w24 13**

4(a)	**Define ‘commission’.** Award 2 marks for a full definition. Award 1 mark for a partial definition. <u>Payment to employees</u> relating to the number/value of sales made [2] Partial definition e.g. money based on sales / what sold [1]
4(b)	**Identify <u>two</u> external users of accounts.** Award 1 mark per user of external accounts (max 2). Points might include: • Banks/lenders • Suppliers • Government • Potential investor • Local community/pressure groups Other appropriate responses should be credited.

4(c)	**Identify <u>four</u> ways the information in a statement of financial position can be used.** Award 1 mark per way (max 4). Points might include: • Calculate working capital • Calculate current ratio • Calculate acid test ratio • Shows how the business finances its activities / shareholders can see how any expansion has been funded • Shows the assets the business owns / what the business owns • Show value of liabilities / what the business owes • Support loan application / raise finance / show investors • Show value of the business / what the business is worth • Compare performance over time • Compare performance against competitors Other appropriate responses should be credited.

4(d)	**Explain <u>two</u> possible reasons why providing training for its employees is important to RHN.** Award 1 mark for identification of 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: • More skilled / flexible employees [k] so can cover absences of others [an] in its 50 shops [app] • Fewer mistakes / better quality (service) [k] from its 290 employees [app] which could improve its reputation [an] • Increases motivation [k] which can help reduce labour turnover [an] which is helpful as uses internal recruitment [app] • Fewer customer complaints [k] about its clothing [app] increasing customer loyalty [an] • Less supervision needed [k], so managers have time to focus on other activities [an] • Improves efficiency/productivity [k] • Fewer accidents / ensure safe working conditions [k] • Able to train others [k] reducing training costs [an] • Provide new ideas / improves innovation [k] • Helps attract (potential) employees [k] • Helps introduce a new process [k] Other appropriate responses should be credited.

4(e)	**Do you think the advantages for a business of using internal recruitment are greater than the disadvantages? 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 the advantages of internal recruitment for a business are greater than the disadvantages. Points might include: Advantages: • Employees know the business [k] so can start <u>work</u> more quickly / less training needed [an] • Low cost/cheaper [k] which reduces cash outflows / as do not have to spend funds on job advertisements [an] • Less time-consuming / quicker [k] which means time can be used for other purposes [an] • Can motivate employees [k] so reducing labour turnover / encourages employee loyalty / improve efficiency [an] • Company knows the employee [k] which reduces risk / likelihood of employing someone who is not appropriate for the job [an] Disadvantages: • Suitable candidates may not be available / employees may not have experience / skills needed [k] which could lead to mistakes / wrong actions taken [an] • Reduces pool / fewer potential candidates [k] • Would create another vacancy for the business to fill [k] • Could create resentment / jealousy among those not selected [k] which could demotivate these employees [an] • Lack of new ideas [k] so business may become less competitive [an]

4(e)	Other appropriate responses should be credited. Justification might include: Internal recruitment is cheaper [k] which reduces cash outflows [an]. However, the current employees may not have skills needed [k] leading to mistakes being made [an]. The potential disadvantages are greater because those mistakes could damage the businesses reputation [eval] which is likely to cost the business more money in the long term. [eval]

1(a)	**Define 'diseconomies of scale'.** Award 2 marks for a full definition. Award 1 mark for a partial definition. Factors that lead to an increase in average costs as a business grows beyond a certain size [2] OR Factors that cause average costs to increase as the scale of operations increases [2] OR The disadvantages of a business growing (too large) that result in an increase in costs per unit [2] Partial definition e.g. when costs increase because business grows [1] OR increase in average unit cost [1]
1(b)	**Identify <u>two</u> ways a business can use cost data to help make decisions.** Award 1 mark for each relevant way (max 2). Points might include: • Setting prices • Decide whether to stop/continue production/change production • Decide on the best location • Decide if finance is required/set budgets • Decide which costs need to be reduced/whether to change suppliers • Setting objectives Other appropriate responses should be credited.

1(c)	**Identify <u>four</u> fixed costs a business might have.** Award 1 mark per fixed cost (max 4). Points might include: • Rent/rates/storage costs • Insurance • Advertising • Salaries • Interest (on loans)/finance payments • Cleaning/maintenance Other appropriate responses should be credited.

1(d)	**Explain <u>one</u> advantage and <u>one</u> disadvantage to FBM of holding a high level of inventory.** Award 1 mark for identification of 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: Advantages: • Maintain production [k] so able to meet orders on time [an] of boats [app] • Benefit from (purchasing) economies of scale [k] leading to lower average/unit cost [an] • Able to respond quickly to unexpected order [k] increasing customer loyalty [an] Disadvantages: • Space needed to store products [k] increasing (storage) costs [an] so costs increase above $600 000 [app] • Cash/money tied up in inventory [k] leading to cash flow/liquidity problems [an] • Risk of damage/waste[k] • Opportunity cost [k] • Insurance [k] Other appropriate responses should be credited.

1(e)	**Do you think customers have a more important role in the success of a business than its employees? 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 customers have a more important role in the success of a business than its employees. Points might include: Customers: • Buy the products [k] and if ignores their needs the business will lose revenue/won't survive [an] • Can share opinions to help improve products [k] which can help increase market share [an] • Provide recommendations/word of mouth advertising [k] Employees: • Make the products [k] otherwise there is nothing to sell [an] • Employees can affect quality [k] which could damage/improve its reputation [an] • Employees provide customer service [k] which is important for brand image [an] • Without sufficient employees the business may not be able to meet demand [k] • Workers can be replaced by machines [k] Other appropriate responses should be credited.

1(e)	Justification might include: Customers are important, they buy the products [k] which generates revenue [an]. Employees make the goods [k] without them, there is nothing to sell [an]. However, customers are more important as without revenue, the business cannot cover its costs and survive in long term [eval]. A business can use automation reducing the importance of employees [eval].