

4 ZPR is a business in the tertiary sector. It has 1 restaurant which has 20 employees. The Human Resources Manager is preparing a job description as ZPR needs 2 new chefs. He said: ‘I need to advertise the job vacancies externally. ZPR will use a range of financial rewards as it can be difficult to recruit employees.’ The manager knows there are many factors for a business to consider when deciding who to recruit.

(a) Define ‘tertiary sector’.

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[2]

(b) Define ‘job description’.

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[2]

(c) Identify **four** financial rewards a business could use.

Reward 1:

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Reward 2:

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Reward 3:

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Reward 4:

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[4]

(d) Explain **two** ways ZPR could use to advertise its job vacancies externally.

Way 1:

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Explanation:

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Way 2:

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Explanation:

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(e) Explain **two** factors a business should consider when deciding who to recruit. Which factor is likely to be the most important for a tertiary sector business? Justify your answer.

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3 LFK is a coal-mining business. It has 135 employees who are all provided with training. After the dismissal of one of LFK’s employees there is a job vacancy for a new supervisor. External recruitment will be used. The Managing Director is preparing a cash flow forecast for LFK. An extract is shown in Table 3.1.

Table 3.1

Extract from LFK’s cash flow forecast July - September 2025 \$000			
	July	August	September
Cash inflow	600	400	730
Cash outflow	720	X	590
Net cash flow	(120)	(100)	140
Opening balance	40	(80)	(180)
Closing balance	(80)	(180)	Y

(a) Define ‘dismissal’.

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[2]

(b) Calculate the value of X and Y.

X:

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Y:

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[2]

(c) Identify **four** reasons why a cash flow forecast might be useful to a business.

Reason 1:

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Reason 2:

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Reason 3:

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Reason 4:

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[4]

(d) Explain **two** advantages of LFK training its employees.

Advantage 1:

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Explanation:

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Advantage 2:

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Explanation:

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

[illegible]

[6]

2 FLD is a furniture retailer. It has 460 shops and 20 000 employees. Internal recruitment is used when recruiting new shop managers. The Managing Director wants to know whether job rotation is the best method of motivation for a large business to use. The Finance Director is reviewing FLD’s income statement. An extract is shown in Table 2.1. She is concerned that FLD’s gross profit is decreasing.

Table 2.1

Extract from FLD’s income statement for year ending April 2025 (\$ million)	
Revenue	400
Gross profit	200
Expenses	60
Profit	140

(a) Define ‘profit’.

[2]

(b) Identify **two** expenses a business might have.

Expense 1:

Expense 2:

[2]

(c) Outline **two** possible reasons why FLD’s gross profit is decreasing.

Reason 1:

Reason 2:

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[4]

(d) Explain **two** advantages to FLD of using internal recruitment when recruiting new managers.

Advantage 1:

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Explanation:

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Advantage 2:

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Explanation:

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(e) Do you think job rotation is the best method for a large business to use to motivate its employees? Justify your answer.

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4 RHN is a clothing retailer. It has 50 shops and 290 employees. All RHN’s employees are provided with training. Commission is used as one method of financial reward. The business often uses internal recruitment when there is a job vacancy. Last year RHN made a profit of \$1.5 million. The Managing Director, as an internal user of accounts, has been analysing RHN’s statement of financial position.

(a) Define ‘commission’.

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

External user 1:

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External user 2:

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[2]

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

Way 1:

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Way 2:

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Way 3:

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Way 4:

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[4]

(d) Explain **two** possible reasons why providing training for its employees is important to RHN.

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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2 ADN is a food retailer. It has 5 shops and 300 full-time employees. All ADN’s employees receive off-the-job training. ADN has a tall hierarchical structure. Managers have a narrow span of control and all use an autocratic leadership style. ADN’s directors are planning to expand the business and cannot decide whether it is better for a business to use internal growth or external growth.

(a) Define ‘span of control’.

[2]

(b) Define ‘autocratic leadership style’.

[2]

(c) Outline **two** benefits to ADN of having full-time employees.

Benefit 1:

Benefit 2:

[4]

(d) Explain **one** benefit and **one** limitation to ADN of using off-the-job training.

Benefit:

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Explanation:

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Limitation:

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Explanation:

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(e) Do you think it is better for a business to use internal growth or external growth when planning to expand? Justify your answer.

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