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].

3(a)	**Define 'dismissal'.** Award 2 marks for a full definition. Award 1 mark for a partial definition. • When employment is ended against the will of the employee, usually for not working in accordance with the employment contract [2] • Termination by the employer because the employee has broken company rules or not performing work to the required standard [2] • Employee is told to leave the business because of poor performance/behaviour [2] Partial definition e.g. • when someone/employee is told to leave a business [1] • lose job/let go because of bad behaviour [1]

3(b)	**Calculate the value of X and Y.** Award 1 mark for each correct calculation. **X**: 500 000 or (500 000) or 500 [1] **Y**: (40 000) or (40) or – 40 [1]
3(c)	**Identify <u>four</u> reasons why a cash flow forecast might be useful to a business.** Award 1 mark for each relevant reason (max 4). Points might include: • Help support a loan application / attract investors • Can identify (possible causes of) cash flow problems • Help (financial) planning / budgeting / manage cash flow better / help avoid cash flow problems or insolvency • Identify how much a business might need to borrow/size of overdraft • Identify whether the business will be holding too much cash that could be put to better use • Helps with decision making / decide if expansion is possible Other appropriate responses should be credited.

3(d)	**Explain <u>two</u> advantages of LFK training its employees.** Award 1 mark for identification of each relevant advantage (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: • To motivate employees [k] to reduce absenteeism / lower labour turnover [an] of its 135 employees [app] • Help retain/keep/attract employees / lower labour turnover [k] • To increase skills/knowledge [k] more workers are suitable for promotion [an] so may not need to use external recruitment [app] • Reduce mistakes/errors / better quality [k] • Reduce number of accidents [k] increasing workers` safety [an] • Increase efficiency/productivity/reduced waste [k] which can help reduce (average) cost [an] which can reduce its cash outflows of $600 000 [app] • Increase output [k] • Can improve competitiveness [k] of the mine [app] • Improve customer service [k] • <u>Management training</u> can help improve business decisions [k] Other appropriate responses should be credited.

3(e)	**Do you think the advantages of external recruitment for a business 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 external recruitment for a business are greater than the disadvantages. Points might include: Advantages: • Brings new skills/ideas [k] improving productivity / efficiency [an] • Wider choice of applicants [k] increases possibility of finding the best person for the job [an] • Can bring valuable knowledge/experience of competition [k] so might gain a competitive advantage [an] • Avoids creating a vacancy which will need to be filled [k] • Avoids risk of upsetting employees when someone internal is promoted [k] which could demotivate/cause others to leave [an] Disadvantages: • Higher recruitment costs [k] increasing cash outflows [an] • No knowledge of how business works / current operations [k] so may need (induction) training [an] • More time spent / takes longer to fill vacancy [k] which could be used for other purposes [an] Other appropriate responses should be credited.

3(e)	Justification might include: External recruitment can bring in new skills [k] improving productivity [an]. However, the new employee will not know how business works [k] so might need induction training [an]. External recruitment is better because the new ideas could lead to lower costs in the long term, [eval] which can more than cover the extra cost of any induction training needed [eval].

2(a)	**Define 'profit'.** Award 2 marks for a full definition. Award 1 mark for a partial definition. • (Total) income of a business (revenue) less <u>total</u> cost [2] • (Total) revenue minus <u>total</u> costs [2] • Difference between revenue and <u>total</u> cost [2] • Gross profit – expenses [2] Partial definition e.g. • Revenue minus costs [1] Other appropriate responses should also be credited.

2(b)	**Identify <u>two</u> expenses a business might have.** Award 1 mark for each expense (max 2). Points might include: • Rent • Rates • Electricity/gas/heating/lighting/water/utilities • Insurance • Interest • Storage • Marketing/advertising • Salaries • Maintenance/repairs • Phone/internet Other appropriate responses should be credited.

2(c)	**Outline <u>two</u> possible reasons why FLD's gross profit is decreasing.** Award 1 mark for identification of each relevant reason (max 2). Award 1 mark for each relevant reference to this business (max 2). Points might include: • Low/fall in amount of sales/demand/customers [k] at its 460 shops [app] • Change in price / increase/decrease (selling) price [k] for the retailer [app] • Increase in <u>cost of sales</u> /<u>variable cost</u> / increase in cost of inventory [k] so gross profit is at $200 million [app] Other appropriate responses should be credited.

2(d)	**Explain <u>two</u> advantages to FLD of using internal recruitment when recruiting new managers.** Award 1 mark for each relevant advantage (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: • <u>Cheaper/lower</u> advertising costs (than external recruitment) [k] so lower/maintain expenses [an] of $60 million [app] • Already knows the <u>business/</u>how the <u>business</u> works [k] so can be productive sooner [an] to help sell furniture [app] • Less/no (induction) training needed [k] • Can motivate employees [k] at the 460 locations [app] reducing labour turnover/increase employee loyalty/increase sales [an] • The business knows the person/their ability/reliability/potential/can trust them [k] reducing chance of selecting the wrong person [an] • Recruitment is quicker [k] so able to focus on other business tasks [an] such as increasing its revenue above $400 million [app] Other appropriate responses should be credited.

2(e)	**Do you think job rotation is the best method for a large business to use to motivate 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 job rotation is the best method for a large business to use to motivate its employees. Points might include: Job rotation: • More flexible/gain new skills [k] leading to higher productivity [an] • Can cover/replace others when someone is absent [k] so may be able to meet an order on time [an] • Makes the work more interesting/less boring for employees [k] so lower absenteeism/labour turnover/increase productivity [an] • Increased training needed [k] increasing costs/expenses [an] • Workers may not be willing/able to do different tasks [k] lowering quality/increasing waste/leading to mistakes [an] • Takes time to switch to/learn different tasks [k] Other methods might include: • Job enrichment [k] adding more responsibilities/challenging work/making workers feel more valued/recognised/trusted [an] • Bonus [k] only pay out if target reached [an] • Praise [k] involves no additional cost [an] • Training [k] which provides new skills [an] • Promotion (opportunities) [k] Other appropriate responses should be credited.

2(e)	Justification might include: One advantage is the work is less boring for employees [k] which can lower absenteeism [an]. Another method is increasing wages [k] but this will increase expenses [an]. Job rotation is best for a large business because lower absenteeism would reduce costs of bringing in additional employees [eval] which could offset the higher labour costs for a large business which is likely to have many employees [eval].

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]

2(a)	**Define 'span of control'.** Award 2 marks for a full definition. Award 1 mark for a partial definition. (Number of) subordinates working **directly** under a manager [2] OR (Number of) subordinates **reporting** to each supervisor/manager [2] OR (Number of) subordinates someone has within **their authority**/under their control [2] Partial definition e.g. (number of) staff that a manager is responsible for [1] OR subordinates who work under a manager [1]

2(b)	**Define 'autocratic leadership style'.** Award 2 marks for a full definition. Award 1 mark for a partial definition. **Leader/manager** makes all the decisions [2] OR Where the **manager** expects to be in charge of the business and to have their orders followed [2] Partial definitions e.g. employees are simply told what to do [1] OR employees have no say in decisions [1]
2(c)	**Outline <u>two</u> benefits to ADN of having full-time employees.** Award 1 mark for each relevant benefit (max 2). Award 1 mark for each relevant reference to this business (max 2). Points might include: • Consistent service [k] at the 5 shops [app] • Workers likely to be loyal/less likely to leave [k] the food retailer [app] • Easy to communicate with/update [k] the 300 employees [app] • Need to recruit/train fewer employees [k] Other appropriate responses should be credited.

2(d)	**Explain <u>one</u> benefit and <u>one</u> limitation to ADN of using off-the-job training.** Award 1 mark for identification of each relevant benefit/limitation (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: Benefits: • Learn the latest/new methods [k] for use in the 5 shops [app] so business can remain competitive [an] • Broad range of skills can be taught [k] to the full-time employees [app] so they can be become more efficient [an] • Can learn from experts/specialists [k] which may be helpful as trying to expand [app] • Can focus 100% on training [k] therefore make less mistakes [an] • Mistakes when learning don't affect the business [k] which can protect the reputation [an] of the food retailer [app] • Workers do not learn bad habits [k] so mistakes are avoided [an] • It does not disrupt work of other employees [k] • Increased motivation of employees [k]

2(d)	Limitations: • High cost/expensive [k] as have 300 employees [app] which increases expenses [an] • Loss of working time [k] leading to less work done/fewer sales [an] • Not necessarily tailored to individual business [k] • Additional qualifications mean it is easier for the employee to leave/find another job [k] increasing time/cost of recruitment [an] Other appropriate responses should be credited.

2(e)	**Do you think it is better for a business to use internal growth or external growth when planning to expand? 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 it is better for a business to use internal growth or external growth when planning to expand. Points might include: Internal growth: • Easier to control/manage growth [k] which can help avoid diseconomies of scale [an] • Lower investment may be needed [k] so less need to borrow (as much) [an] • Slow method [k] so business may become uncompetitive/may miss business opportunities [an] • Less risk [k] External growth: • Quick method [k] so able to take advantage of new market opportunities [an] which can increase revenue [an] • Removing a competitor [k] increases market share/power [an] may be able to set/influence prices [an] • **Large** amounts of finance may be required [k] which increases finance costs [an] Other appropriate responses should be credited.

2(e)	Justification might include: One advantage of internal growth is it is easier to control the rate of growth [k] which can help avoid diseconomies of scale [an]. However, external growth can be faster [k] so the business can take advantage of opportunities [an]. Overall external growth is better as by taking over a competitor market share can be increased [eval] increasing market power [eval].