

4(a)	Explain <u>two</u> factors LB's managers should consider when deciding which method of communication to use to inform employees about the expansion plans. Award 1 mark for each relevant factor (max 2). Award a maximum of 3 additional marks for each explanation of the factor that LB's managers should consider when deciding which method of communication to use with employees about the expansion plans – one of which must be applied to this context. Relevant factors might include: • How many employees need to be informed – a large number of employees need to see the information – as everyone will be affected by the expansion • If feedback is needed – managers will know the message has been received – to make sure all employees understand what it will mean for their job role • How much information needs to be included in the message / complexity of the message – if it is a lot of information then a written form of communication should be used – such as an email or letter • If there is need for a written record – as legally a record may be needed for certain types of communication with employees – then there will be communication that can be referred to at some time in the future • Speed / urgency / importance of communication – employees need to be told quickly before rumours are spread around the factory • Cost of the communication methods chosen For example: How many employees need to be informed (1). A large number of employees will need to see the information (1) as everyone will be affected by the expansion plans (1) when building the new factory in country Y (app). Application could include: luxury bathroom products; baths/basins/showers; plan to produce a new range of bathroom products; plans to open a factory in another country; sells in specialist retail shops; website contains information on product range.
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4(b)

Using Appendix 3 and other information, consider the benefits and drawbacks for country Y of LB building its new factory there. Do you think the benefits for country Y are greater than the drawbacks? Justify your answer.

Level	Description	Marks
3	Sound application of knowledge and understanding of relevant business concepts using appropriate terminology. Detailed discussion of both the benefits and drawbacks for country Y. Well-justified conclusion. Candidates discussing in detail both the benefits and drawbacks for country Y, in context and with a well-justified conclusion, including why the alternative benefits or drawbacks were rejected, should be rewarded with the top marks in the band.	9–12
2	Sound application of knowledge and understanding of relevant business concepts using appropriate terminology. Detailed discussion of one benefit or drawback for country Y. Judgement with some justification / some evaluation of choice made. Candidates discussing in detail at least one benefit and one drawback for country Y and applying these to the case should be rewarded with the top marks in the band.	5–8
1	Limited application of knowledge and understanding of relevant business concepts. Limited ability to discuss the benefits and/or drawbacks with little/no explanation. Simple judgement with limited justification / limited evaluation of choice made. Candidates outlining the benefits and drawbacks for country Y in context should be rewarded with the top marks in the band.	1–4
0	No creditable response.	0

4(b)

Relevant points might include:

Benefits	Drawbacks
• It creates jobs – lowering unemployment in country Y – raising incomes in the country and helping to increase economic growth/GDP • Increased investment – the new factory for manufacturing bathroom products will mean new infrastructure may be built also benefiting local businesses • LB could export from country Y – improving its balance of payments – earns foreign currency for country Y to purchase more imports • LB may pay taxes to the government – increases tax revenue to provide more services for its population • Increased consumer choice – more competition and more luxury bathroom products available to buy – as consumers have increasing incomes and it has increased demand for luxury products	• The jobs created may be unskilled and low paid – may make it more difficult for local businesses to meet their labour needs as they expand due to increasing economic growth • There may be reduced sales for the local bathroom manufacturers as their costs and prices may be higher • Profits may be sent back to country X – loss of government tax revenue in country Y • Scarce resources may be used up quickly leaving few non-renewable resources remaining when LB leaves – making economic growth in the future slow down • LB may have some political influence and gain financial support such as grants that could have been spent on local businesses • Increased noise and air pollution when the factory producing bathroom products is being built – may cause damage to the environment and health of the local population

Conclusion

Justification might include:

- Allowing LB to locate in the country has more benefits for country Y than it has drawbacks. The jobs created will help the country develop and may benefit from the transfer of new technology from LB **to the many other bathroom producers** in the country. This may increase their efficiency and improve their productivity. So many other local businesses may benefit which outweighs the drawbacks of LB causing pollution when building the new factory as this is only in the short term.
- The government in country Y should not allow LB to build a factory there as it may not gain tax revenue if the government of country Y has to offer financial support to attract LB to locate there. LB may have lower unit costs from the **economies of scale it benefits from as it is a large business** and therefore may cause the many local bathroom manufacturing businesses to close if they cannot compete.

4(a)	Identify <u>two</u> objectives (other than growth) a business might have. Award 1 mark per objective (max 2). Points might include: • Survival/break-even • Make a profit • Increase/gain market share • Increase / maintain number of sales / customers • Increase / gain revenue / value of sales • Improve/create business image • Increase return to shareholders / return on capital employed • Be socially / ethically / environmentally responsible Other appropriate responses should be credited.
4(b)	Identify <u>two</u> advantages to a business of using external sources of finance. Award 1 mark per advantage (max 2). Points might include: • Able to raise funds quicker / quickly • May be able to raise full / large(r) amount of finance • Can use internal sources / profit <u>for other purposes</u> • Provider may offer advice/support Other appropriate responses should be credited.

4(c)

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

Award 1 mark per correct answer (max 4).

Working conditions: hygiene

Wages: hygiene

Opportunities for promotion: motivator

Relationship with supervisor: hygiene

4(d)

Explain two methods of internal communication HYT might use with its employees.

Award 1 mark for identification of each relevant method (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:

- Meetings/team briefings [k] about its growth objective [app] as can get (instant) feedback / ask / answer questions [an]
- Email [k] which can be sent to multiple people (at the same time) [an] to its 4000 employees [app]
- Phone/mobile calls [k] to one of its 460 shops [app] as allows for discussion / explanation / immediate feedback [an]
- Letter [k] as a written record [an]
- Text / SMS / WhatsApp / WeChat [k] as can be sent quickly [an]
- Posters / noticeboards / notices [k] as they can be placed in various locations (for employees to read) [an]
- Video conference / Zoom / Teams / Google Meet / FaceTime [k]
- Social media or examples e.g. Facebook, TikTok [k]
- Internal newspapers / newsletter / magazine [k]

Other appropriate responses should be credited.

4(e)

Do you think the benefits to a business of having full-time employees are greater than the limitations? 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 benefits of having full-time employees for a business are greater than the limitations.

Points might include:

Benefits:

- More familiar with business / consistent service / quality [k] which helps build / maintain customer relationships / better reputation / more productive [an]
- Workers likely to be loyal / committed / less likely to leave [k] reducing (recruitment) costs [an]
- Easy to communicate / update [k] leading to fewer errors [an]
- Fewer employees to train / recruit [k] saving time / cost [an]

Limitations:

- May not be willing / want to increase hours / not want to work overtime [k] so may be difficult to meet demand [an]
- Must pay whether (sufficient) work for them to do or not [k] increasing labour costs [an]
- May miss out on potential employees who cannot work full-time [k]

4(e)

Other appropriate responses should be credited.

Justification might include:

Full-time employees can provide a consistent service [k] which helps maintain customer relationships [an]. However, they may not be willing to increase hours [k] so it may be difficult to meet demand [an]. The benefits are greater because maintaining customer relationships is more likely to lead to additional sales even if they must wait slightly longer to receive the goods [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 one 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 two 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 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.

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].
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