2 **(a)** Explain **two** benefits and **two** limitations of a business operating in a niche market.

Benefit 1: ....

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Benefit 2: ....

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Limitation 1: ....

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Limitation 2: ....

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[8]

(b) Using Appendix 2 and other information, consider the following **three** elements of the possible marketing mix for FF's new shop. Which element is likely to be the most important? Justify your answer.

- Price – cost-plus pricing
- Place – selling some flowers through wedding planners
- Promotion – television advertising

Price – cost-plus pricing: ....

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Place – selling some flowers through wedding planners: ....

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Promotion – television advertising: ....

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Conclusion: ....

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[12]

1 NFC manufactures shoes using batch production. Quality assurance is used to maintain quality. NFC uses market segmentation. The Marketing Director is reviewing NFC's product range. He knows there are both benefits and limitations to developing new products. He also knows the promotion of products is important.

(a) Define 'batch production'.

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.... [2]

(b) Identify **two** aims of promotion.

Aim 1: ....

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Aim 2: ....

.... [2]

(c) Outline **one** advantage and **one** disadvantage to NFC of using quality assurance.

Advantage: ....

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Disadvantage: ....

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.... [4]

(d) Explain **two** benefits to NFC of using market segmentation.

Benefit 1: ....

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Explanation: ....

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Benefit 2: ....

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Explanation: ....

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.... [6]

(e) Do you think the benefits for a business of developing new products are greater than the limitations? Justify your answer.

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.... [6]

2 **(a)** Explain **one** advantage and **one** disadvantage of PF selling its products in a mass market.

Advantage: ....

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Explanation: ....

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Disadvantage: ....

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Explanation: ....

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[8]

(b) Consider the following **three** factors that may influence the location of PF's new factory. Which factor is likely to be the most important when deciding on the location? Justify your answer.

- Availability of raw materials
- Transport links
- Government influence

Availability of raw materials: ....

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Transport links: ....

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Government influence: ....

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Conclusion: ....

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[12]

2 **(a)** Explain **two** benefits of market segmentation for VV.

Benefit 1: ....

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Explanation: ....

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Benefit 2: ....

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Explanation: ....

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.... [8]

(b) Using Appendix 2 and other information, consider the following **three** possible locations for Jemi's new restaurant. Which location should Jemi choose? Justify your answer.

- Location A
- Location B
- Location C

Location A: ....

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Location B: ....

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Location C: ....

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Recommendation: ....

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[12]

3 IDT manufactures clothes for the mass market. It is a multinational company with factories in 4 countries. IDT has short-term and long-term financial needs. The Finance Director is analysing IDT's statement of financial position. An extract is shown in Table 3.1. He has been asked to calculate working capital and to explain how an increase in non-current liabilities might affect IDT.

Table 3.1

Extract from IDT's statement of financial position ($ million)		
	2022	**2023**
Current assets	380	420
Current liabilities	250	280
Non-current liabilities	300	400

(a) Define 'mass market'.

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.... [2]

(b) Calculate IDT's working capital in 2023.

Working: ....

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Final answer: .... [2]

(c) Outline **one** reason why IDT might need the following types of finance:

Short-term finance: ....

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Long-term finance: ....

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.... [4]

(d) Explain **two** ways an increase in non-current liabilities might affect IDT.

Way 1: ....

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Explanation: ....

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Way 2: ....

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Explanation: ....

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.... [6]

(e) Explain **two** advantages to a business of being a multinational company. Which advantage do you think is likely to be the most important? Justify your answer.

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