

4 MTL is a large business which sells children’s toys. MTL wants to act ethically with all of its stakeholder groups including its 430 employees. The market MTL operates in has become more competitive. The business uses a range of methods to promote its products. Having a good brand image is important. MTL’s directors are considering entering a new market in another country. They are aware there may be problems if they choose to do this.

(a) Define ‘brand image’.

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(b) Identify **two** reasons why some markets have become more competitive.

Reason 1:

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Reason 2:

..... [2]

(c) Outline **one** way MTL could act ethically with each of the following stakeholder groups:

Employees:

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Customers:

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(d) Explain **two** problems MTL might have when entering a new market in another country.

Problem 1:

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Explanation:

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Problem 2:

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Explanation:

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(e) Explain **two** methods of promotion a business might use for its products. Which method is likely to be the best for a large business to use? Justify your answer.

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2 OTK is a small jewellery shop in the centre of Main City. The business does not currently use ecommerce. OTK buys its jewellery from local suppliers. It pays for the jewellery 30 days later. The shop manager is analysing OTK’s cash flow forecast. She is concerned that the business might have a short-term cash flow problem.

(a) Define ‘cash flow forecast’.

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(b) Identify **two** reasons why cash is important for a business.

Reason 1:

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Reason 2:

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[2]

(c) Identify **four** functions of management.

Function 1:

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Function 2:

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Function 3:

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Function 4:

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[4]

(d) Explain **two** ways OTK could overcome a short-term cash flow problem.

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** threats to a business of using ecommerce. Which threat is likely to be the most important? Justify your answer.

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2 Max is an entrepreneur who wants to start up a business selling books. He has decided to use ecommerce. Max has been told there is government support for start-up businesses. He will use market research to help make business decisions. Max knows it is important for a new business to build customer loyalty.

(a) Define ‘entrepreneur’.

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(b) Identify **two** reasons why governments support start-up businesses.

Reason 1:

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Reason 2:

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[2]

(c) Outline **two** opportunities for Max’s business of using ecommerce.

Opportunity 1:

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Opportunity 2:

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(d) Explain **two** ways Max could use market research to help make business decisions.

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** ways a business could build customer loyalty. Which is likely to be the best way for a new business to use? Justify your answer.

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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’.

[2]

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

Aim 1:

Aim 2:

[2]

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

Advantage:

Disadvantage:

[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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(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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1 MDZ manufactures a range of chocolate bars. It has 300 employees. MDZ purchases its ingredients from suppliers in the local area. Acting in an ethical way with its stakeholder groups is important. MDZ has products at different stages of the product life cycle. The business is also developing a new product. The Marketing Director needs to make decisions about the packaging and the price of the new product. She knows it is important for a business to use a suitable method of sales promotion for a new product.

(a) Identify **two** roles of packaging.

Role 1:

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Role 2:

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(b) Identify **two** stages (other than development) of the product life cycle.

1:

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2:

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(c) Outline **two** factors MDZ’s Marketing Director should consider when deciding the price of the new product.

Factor 1:

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Factor 2:

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(d) Explain **one** way MDZ could act in an ethical way with each of the following stakeholder groups:

Employees:

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Explanation:

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Suppliers:

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Explanation:

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(e) Explain **two** possible methods of sales promotion a business could use for a new product. Which is likely to be the best method to use? Justify your answer.

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