

3 STB is a public limited company. It uses job production to build houses. In 2024 the business built 13 500 houses. STB has many stakeholder groups including its 5000 employees. The Managing Director knows business activity can affect the environment and that there are many reasons why a business should respond to environmental pressures. She also wants to know how economic growth might affect STB.

(a) Identify **two** ways business activity can affect the environment.

Way 1:

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Way 2:

..... [2]

(b) Identify **two** reasons why a business should respond to environmental pressures.

Reason 1:

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Reason 2:

..... [2]

(c) Outline **two** ways economic growth might affect STB.

Way 1:

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Way 2:

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(d) Explain **two** benefits to STB of using job production.

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 employees are the most important stakeholder group for a manufacturing business?
Justify your answer.

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3 (a) Explain **two** reasons why FF uses job production.

Reason 1:
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Explanation:
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Reason 2:
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Explanation:
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[8]

(b) Consider the following **two** sources of finance which could be used for working capital when FF’s new shop opens. Which would be the best source for Kathryn to use? Justify your answer.

- Bank overdraft
- Trade credit

Bank overdraft:

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Trade credit:

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Recommendation:

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3 (a) Explain **one** advantage and **one** disadvantage of CR holding inventory.

Advantage:
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Explanation:
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Disadvantage:
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Explanation:
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[8]

(b) Consider the advantages and disadvantages of the following **three** ways CR could use to sell its products. Which way should Charly choose? Justify your answer.

- Selling through CR’s own shop
- Selling online
- Selling to a wholesaler

Selling through CR’s own shop:

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Selling online:

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Selling to a wholesaler:

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Recommendation:

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1 RSL manufactures paint using flow production. Last year it produced 10 million litres of paint. RSL has 6 managers and 80 employees working in its factory. The managers use different leadership styles. RSL uses email and telephone calls as its methods of internal communication. The Operations Manager wants to understand why some manufacturing businesses are relocating their operations to other countries.

(a) Identify **two** benefits to a business of using flow production.

Benefit 1:

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Benefit 2:

..... [2]

(b) Identify **two** reasons why people work.

Reason 1:

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Reason 2:

..... [2]

(c) Outline **one** advantage of RSL using each of the following methods of internal communication.

Email:

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Telephone calls:

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(d) Explain **two** leadership styles RSL’s managers might use.

Leadership style 1:

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Explanation:

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Leadership style 2:

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Explanation:

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(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.

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2 SNT is an ethical business. It manufactures a range of soft drinks using batch production. In 2023 SNT produced 300 000 bottles of soft drinks each week. There are many factors which affect how much inventory the business should hold. SNT’s directors are planning to expand the business into new markets in other countries by forming a joint venture. They are considering licensing as another way to help overcome the potential problems of entering these new markets.

(a) Define ‘licensing’.

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[2]

(b) Identify **two** factors which might affect how much inventory a business should hold.

Factor 1:

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Factor 2:

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[2]

(c) Outline **two** benefits to SNT of using batch production.

Benefit 1:

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Benefit 2:

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[4]

(d) Explain **one** advantage and **one** disadvantage to SNT of forming a joint venture when entering new markets in other countries.

Advantage:
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Explanation:
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Disadvantage:
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Explanation:
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[6]

(e) Do you think the advantages to a business of being ethical are greater than the disadvantages? Justify your answer.

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[6]

3 (a) Explain **two** benefits and **two** limitations of CC using batch production.

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) Consider the **two** options for CC’s new cookies outlined in Appendix 3. Which option should CC choose to produce? Justify your answer using appropriate calculations.

Option 1:

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Option 2:

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Recommendation:

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[12]