

1 BEI is a multinational company. It manufactures aeroplanes. Quality assurance is important. BEI has 5000 employees. BEI’s directors have announced plans to reduce the size of its workforce (downsize). The Human Resources Director is considering which employees to make redundant. Information about employee A can be found in Table 1.1.

Table 1.1

Information about employee A
• Worked at BEI for 1 year • Worked at another manufacturing business for 12 years • Able to use most of the machines at BEI • Often late for work • Popular with other employees • Left school with 2 IGCSEs

(a) Define ‘quality assurance’.

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..... [2]

(b) Identify **two** reasons why a business might reduce the size of its workforce.

Reason 1:

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Reason 2:

..... [2]

(c) Outline, with reference to BEI, the difference between redundancy and dismissal.

[4]

(d) Explain **one** advantage and **one** disadvantage of BEI making employee A redundant.

Advantage:

Explanation:

Disadvantage:

Explanation:

[6]

- (e) Explain **two** possible benefits to a country of a multinational company locating there. Which benefit is likely to be the most important? Justify your answer.

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[6]

4 (a) Explain **two** reasons why high quality is important for FF.

Reason 1:

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Explanation:

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Reason 2:

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Explanation:

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[8]

- (b) Using Appendix 3 and other information, consider the following **two** ways FF could contribute to sustainable development. Which way should Kathryn choose? Justify your answer.
- Buying all flowers from sustainable sources
 - Using electricity from renewable sources

Buying all flowers from sustainable sources:

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Using electricity from renewable sources:

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Recommendation:

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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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2 Rachel’s business produces and sells chocolate bars. Quality is important. Rachel is a sole trader who received government support when she started up her business. The business operates in a competitive market. Rachel is considering ways to increase sales of her best-selling product. She is also planning to introduce a new chocolate bar. Rachel knows deciding which pricing method to use for a new product is important.

(a) Define ‘sole trader’.

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[2]

(b) Identify **two** ways a government can support business start-ups.

Way 1:

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Way 2:

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[2]

(c) Outline **two** ways Rachel could increase sales of her best-selling product.

Way 1:

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Way 2:

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[4]

(d) Explain **two** reasons why quality is important to Rachel’s business.

Reason 1:

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Explanation:

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Reason 2:

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Explanation:

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(e) Do you think price skimming is the best pricing method for a business to use when introducing a new product? Justify your answer.

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