

1 WMH is a business which operates in the secondary sector. It makes furniture including tables and chairs. WMH’s employees are all members of a trade union. The Managing Director knows the business is likely to remain small. She is considering introducing new technology into WMH’s factory. She also knows it is important for a manufacturing business to choose a suitable location for a factory.

(a) Define ‘trade union’.

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[2]

(b) Define ‘secondary sector’.

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(c) Identify **four** reasons why a business might remain small.

Reason 1:

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Reason 2:

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Reason 3:

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Reason 4:

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[4]

(d) Explain **two** possible effects of WMH introducing new technology.

Effect 1:

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Explanation:

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Effect 2:

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Explanation:

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(e) Explain **two** factors a manufacturing business should consider when deciding on a suitable location for a factory. Which factor is likely to be the most important? Justify your answer.

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3 Miguel plans to start up a gym (sports club). It will offer a range of fitness classes including yoga. The business will be a partnership with his sister. Miguel thinks the size of the business will remain small. Secondary market research will be used to help make decisions including which pricing method to use. Miguel knows it is important for a new business to select a suitable location.

(a) Define ‘partnership’.

[2]

(b) Identify **two** ways to measure the size of a business.

Way 1:

Way 2:

[2]

(c) Outline **two** pricing methods Miguel could use.

Method 1:

Method 2:

[4]

(d) Explain **one** advantage and **one** disadvantage to Miguel of using secondary market research.

Advantage:

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Explanation:

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Disadvantage:

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Explanation:

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(e) Do you think access to employees is the most important factor for a new business to consider when deciding on a suitable location? Justify your answer.

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3 GAE is a multinational company. It manufactures steel. GAE has 2400 employees and has factories in 4 countries. The business regularly introduces new technology. Holding inventory is important. GAE’s directors are planning to build a new factory and want to know how legal controls over location might affect this decision. The Managing Director said, ‘The new factory will create many external benefits.’

(a) Define ‘external benefits’.

[2]

(b) Identify **two** ways legal controls over location might affect a business.

Way 1:

Way 2:

[2]

(c) Outline **two** advantages to GAE of introducing new technology.

Advantage 1:

Advantage 2:

[4]

(d) Explain **two** reasons why holding inventory might be important for GAE.

Reason 1:

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Explanation:

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Reason 2:

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Explanation:

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(e) Explain **two** benefits to a business of being a multinational company. Which benefit is likely to be the most important? Justify your answer.

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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:

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(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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