

- 3 TJK manufactures candles. Contributing to sustainable development is important to TJK. The business uses batch production in its factory in country X. The target market for TJK's products is females between 20 and 50 years of age. The Managing Director is reviewing TJK's financial data. An extract is shown in Table 3.1. He is also considering the benefits to a business of becoming a multinational company.

Table 3.1

Extract from TJK's financial data for 2024 \$000	
Working capital	900
Profit	400
Revenue	1000

- (a) Define 'working capital'.

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..... [2]

- (b)** Calculate TJK's profit margin. Show your working.

Working:
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.....
Final answer: [2]

- (c) Identify **four** benefits to a business of becoming a multinational company.

Benefit 1:

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Benefit 2:

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Benefit 3:

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Benefit 4:

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[4]

- (d) Explain **two** ways TJK could contribute to sustainable development.

Way 1:

Explanation:

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Way 2:

Explanation:

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- (e) Do you think batch production is the best method of production for a business to use? Justify your answer.

[illegible]

3 JTA is a public limited company. It sells holidays in a mass market. The business has 44 shops and 200 employees. The Finance Director is considering ways a business can increase its profit. She has been asked to analyse JTA's financial performance using ratio analysis. An extract from JTA's financial statements is shown in Table 3.1.

Table 3.1

Extract from JTA's financial statements for 2023 (\$ million)	
Revenue	900
Profit	100
Capital employed	800

(a) Define 'capital employed'.
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..... [2]

(b) Calculate JTA's return on capital employed (ROCE). Show your working.
Working:
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Final answer: [2]

(c) Outline **two** benefits to JTA of selling in a mass market.
Benefit 1:
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Benefit 2:
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..... [4]

(d) Explain **one** advantage and **one** disadvantage of JTA being a public limited company.
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 increasing prices is the best way for a business to increase its profit? Justify your answer.
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- 3 HRO manufactures children's toys. It is a private limited company. The main objective of HRO's shareholders is to increase profit. This might conflict with the objectives of other stakeholder groups, including its 30 suppliers. HRO's Managing Director knows that market research can help when making marketing decisions. The Finance Director is preparing HRO's statement of financial position. An extract is shown in Table 3.1.

Table 3.1

Extract from HRO's statement of financial position at 30 June 2024 (\$000s)	
Non-current assets	480
Current assets	250
Current liabilities	200
Non-current liabilities	300

- (a) Define 'non-current assets'.

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[2]

- (b)** Calculate HRO's current ratio. Show your working.

Working:
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Final answer: [2]

- (c) State whether each of the following would be classified as a current asset or as a current liability.

Trade receivables:

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Trade payables:

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Overdraft:

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Inventory:

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[4]

- (d) Explain **one** way the objective of HRO's shareholders to increase profit might conflict with the objectives of each of the following stakeholder groups:

Customers:

Explanation:

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Suppliers:

Explanation:

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[6]

- (e) Do you think the advantages to a business of using primary market research are greater than the disadvantages? Justify your answer.

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