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.

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.... [4]

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

Advantage: ....

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Explanation: ....

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Disadvantage: ....

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Explanation: ....

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.... [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]

1 KPX manufactures computers. The business imports 60% of its raw materials. The Operations Director is considering ways to use lean production methods in KPX's factory. The Finance Director is reviewing KPX's financial data to calculate the value of its expenses. An extract is shown in Table 1.1.

Table 1.1

Extract from KPX's financial data for 2024 ($ million)	
Revenue	750
Cost of sales	360
Gross profit	390
Profit	90

(a) Identify **two** reasons why a business might import raw materials.

Reason 1: ....

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Reason 2: ....

.... [2]

(b) Calculate KPX's expenses in 2024. Show your working.

Working: ....

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Final answer: .... [2]

(c) Outline **two** ways KPX's Finance Director could use the financial data in Table 1.1.

Way 1: ....

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Way 2: ....

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.... [4]

(d) Explain **two** methods of lean production KPX could use.

Method 1: ....

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Explanation: ....

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Method 2: ....

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Explanation: ....

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.... [6]

(e) Explain **two** reasons why profit is important for a business. Which reason is likely to be the most important? Justify your answer.

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.... [6]

1 **(a)** Explain **one** way each of the following problems might affect TSE when entering a new market in another country.

Cultural differences: ....

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Explanation: ....

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Lack of knowledge: ....

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Explanation: ....

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[8]

(b) Consider the following **two** benefits for TSE of having a well-motivated workforce. Which benefit is likely to be the most important to TSE? Justify your answer.

- Reduced absenteeism
- Lower labour turnover

Reduced absenteeism: ....

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Lower labour turnover: ....

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Conclusion: ....

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[12]

4 FSW is a multinational company with operations in 6 countries. It manufactures steel for use in the construction industry. Quality assurance is used to ensure quality production. FSW has many stakeholder groups who are interested in its activities. The Managing Director knows FSW's business creates external costs. She is aware that pressure groups try to influence business decisions.

(a) Define 'external costs'.

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.... [2]

(b) Identify **one** objective each of the following stakeholder groups might have:

Employees: ....

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Customers: ....

.... [2]

(c) Identify **four** ways a pressure group might try to influence business decisions.

Way 1: ....

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Way 2: ....

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Way 3: ....

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Way 4: ....

.... [4]

(d) Explain **one** possible benefit and **one** possible drawback to a country of having FSW (a multinational company) operating there.

Benefit: ....

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Explanation: ....

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Drawback: ....

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Explanation: ....

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.... [6]

(e) Do you think quality assurance is the best way for a business to achieve quality production? Justify your answer.

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3 **(a)** Explain **one** way each of the following stakeholder groups might be affected by a business becoming a multinational company.

Effect on shareholders: ....

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Effect on employees: ....

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Effect on suppliers: ....

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Effect on the government: ....

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.... [8]

(b) Using Appendix 2 and other information, consider the **two** countries BB could choose to locate its first new factory. Which country should BB choose? Justify your answer.

Country A: ....

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Country B: ....

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Recommendation: ....

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.... [12]

4 **(a)** Explain **two** reasons why BB might want to sell its products in new markets in other countries.

Reason 1: ....

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Explanation: ....

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Reason 2: ....

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Explanation: ....

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(b) Using Appendix 3 and other information, consider BB's financial performance compared to its main competitor. Do you think BB's financial performance is better than its competitor? Justify your answer using appropriate calculations.

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Conclusion: ....

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