

4 MTL is a large business which sells children’s toys. MTL wants to act ethically with all of its stakeholder groups including its 430 employees. The market MTL operates in has become more competitive. The business uses a range of methods to promote its products. Having a good brand image is important. MTL’s directors are considering entering a new market in another country. They are aware there may be problems if they choose to do this.

(a) Define ‘brand image’.

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[2]

(b) Identify **two** reasons why some markets have become more competitive.

Reason 1:

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Reason 2:

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[2]

(c) Outline **one** way MTL could act ethically with each of the following stakeholder groups:

Employees:

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Customers:

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[4]

(d) Explain **two** problems MTL might have when entering a new market in another country.

Problem 1:

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Explanation:

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Problem 2:

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Explanation:

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..... [6]

(e) Explain **two** methods of promotion a business might use for its products. Which method is likely to be the best for a large business to use? 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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