3 SBL is a fast food restaurant which sells 900 chicken burgers each week. It has 14 employees. The owner, Vicki, provides her employees with training but does not currently use delegation. She is preparing a break-even chart to help calculate SBL's margin of safety. A partially completed break-even chart is shown in Fig. 3.1. Vicki wants to know how an economic recession might affect her business.

Break-even chart for SBL

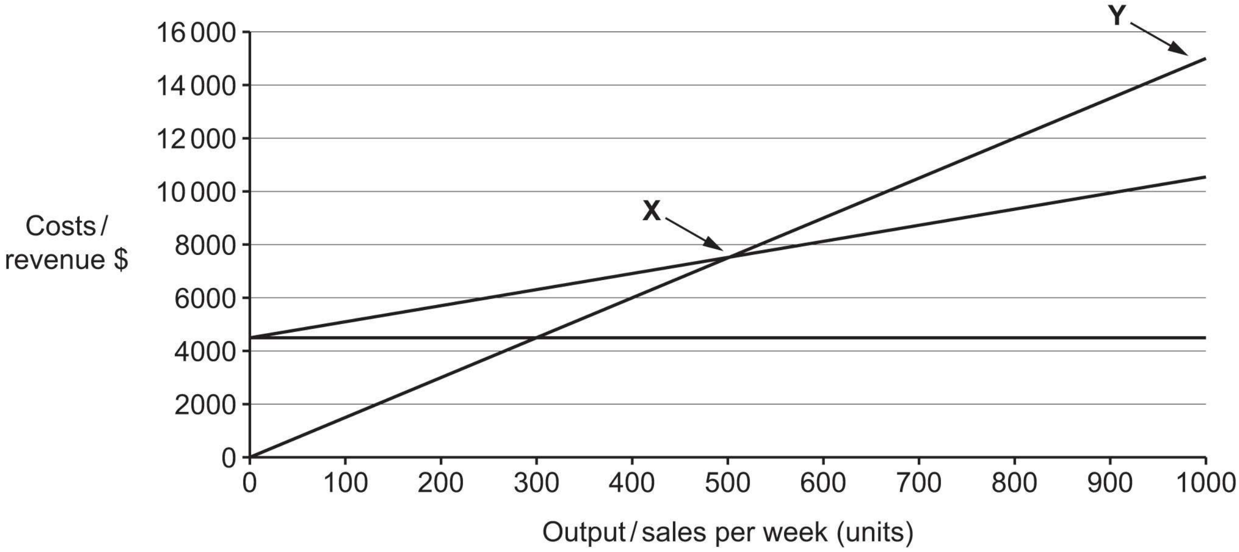

Fig. 3.1

(a) Identify **X** and **Y**.

X: ....

....

Y: ....

.... [2]

(b) Define 'margin of safety'.

....

....

....

.... [2]

(c) Outline **two** advantages of Vicki delegating tasks to her employees.

Advantage 1: ....

....

....

....

Advantage 2: ....

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....

.... [4]

(d) Explain **two** possible effects an economic recession might have on Vicki's business.

Effect 1: ....

....

Explanation: ....

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Effect 2: ....

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Explanation: ....

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.... [6]

(e) Explain **two** methods of training a business might use. Which is likely to be the best method for a service business to use? Justify your answer.

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.... [6]

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: ....

....

Reason 2: ....

.... [2]

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

Employees: ....

....

....

....

Customers: ....

....

....

.... [4]

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

Problem 1: ....

....

Explanation: ....

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Problem 2: ....

....

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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.... [6]