

Business - Important past paper questions

(Below are some general questions that come frequently in past papers. Please keep in mind that the application [app] is respective to the question and is only mentioned to help you understand)

Advantages of on the job training

Employees learn the way the business wants the job done [k] from loyal employees [app]

- Employees are working while training [k]
- Cheaper (than off the job training) [k] so have more funds to help pay for relocation [app]

Disadvantage

Slows down work of experienced employees [k] at a time of falling demand [app]

- May pick up bad habits or practices from other employees [k]
- Might not learn the most up to date methods OR fewer new skills and ideas taught [k]

Define market share

Percentage or proportion of the total market sales [1] held by one brand or business.

Identify two aims of promotion.

- inform / raise awareness / introduce new products • create brand image / improve image • compete with competitors • persuade / increase sales / attract customers • customer loyalty

Identify and explain two methods of market research could be used.

Award 1 mark for each method identified

Award 1 mark for each explanation in context

Points might include: • observation / visiting competition [k] other food retailers [app] • questionnaires [k] about the low prices [app] • surveys [k] about the own-label products [app] • interviews [k] about the new shops [app] • experiments / free samples / test marketing [k] the cereal [app] • access government statistics

[k] • focus groups / consumer panels [k] • use market research agencies [k] • loyalty card data [k] • articles / newspapers / magazines[k]

Identify and explain two ways in which costs could be kept low. (analysis for 6 marks)

Choose low cost locations [k] for all 100 sites [app] leading to lower fixed costs [an] • pay minimum wage [k] to shop workers [app] keep variable costs low [an] • economies of scale [k] (only once) for its limited range of products [app] leading to lower average costs [an] • set lower marketing budget [k] as no money spent on market research [app] • replace workers with machinery / automation / reduce workforce [k] • cheaper supplier [k] • close some locations [k] which would reduce electricity cost [an] • set up online [k] • reduce waste [k] • Buy direct from manufacturer [k] so lower cost than buying from wholesaler [an]

Identify two possible ethical issues that the business might have to respond to.

- protecting the environment • fair wages to workers / pay above minimum wage
- pay fair prices to suppliers • charge fair prices to consumers • not employing child labour.

Identify and explain two possible problems for the business if it decides to relocate its business.

access to / cost of available space [k] for steel production [app] • legal controls / level of government support [k] in other countries [app] • access to suitable / cost of workers [k] for private sector business [app] • availability / cost of raw materials [k] such as iron [app] • access to / cost of infrastructure e.g. transport and energy [k] • level of competition [k]

Do you think the Government should help businesses? Justify your answer.

Award 1 mark for identification of relevant point (s) [max 1] Award 1 mark for a relevant reference made to this business Award up to 2 marks for relevant development of point(s) • protect jobs [k] as they plan to make 3500 redundant [app] which would increase unemployment [an] and the cost of paying unemployment benefits [an] • protect the vital industry [k] of steel [app] to ensure supply in their own country [an] • impact on other businesses [k] who need the material for construction [app] • government could lose tax revenue if they fail [k] Points against might include: • there is an opportunity cost / helping businesses

would require money from the government [k] money spent on helping will reduce the money available for other projects [an] • can obtain materials from other countries [k] as have access to cheap imports [app] • environmental impact of business [k] as industry creates pollution [an] • it is not the role of government [k] to help private sector business [app] • disincentive for businesses to be successful [k] this could lead to them being inefficient [an]