



1 hour 15 minutes

You will need: Answer booklet (enclosed)

- Section A: answer **all** questions.
- Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [].

[Turn over

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Section A (Short Answer)

Answer **all** questions

You are advised to spend no more than 35 minutes on Section A.

- 1 (a) Define the term 'motivation'. [2]
(b) Explain **two** benefits to a business of having motivated employees. [3]
- 2 (a) Define the term 'limited liability'. [2]
(b) Explain **two** disadvantages to a private limited company of changing to a public limited company. [3]
- 3 Explain why operational flexibility is important to a large furniture manufacturer. [5]
- 4 (a) Define the term 'customer (market) orientation'. [2]
(b) Explain **two** limitations of niche marketing. [3]

Section B (Essay)

Answer **one** question only

- 5 (a) Analyse the possible problems that a new business might experience when trying to raise finance. [8]
(b) Discuss the importance of accurate cost information to managers of a small business. [12]
- 6 'Human Resource Management is the most important department in any large manufacturing business.'
Discuss the extent to which you agree with this view. [20]
- 7 (a) Analyse how customer relations for an online retailer can be improved by using the 4Cs. [8]
(b) Discuss the importance of market share to a business operating in a competitive market. [12]

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