



**Section A (Short Answer)**

Answer **all** questions.

- 1 (a) Define the term 'market research'. [2]  
(b) Briefly explain **two** advantages to a business of primary (field) market research. [3]
- 2 (a) Define the term 'productivity'. [2]  
(b) Briefly explain **two** ways a manufacturing business could improve productivity. [3]
- 3 Explain how ethics may influence the objectives of a business. [5]
- 4 (a) Define the term 'margin of safety'. [2]  
(b) Briefly explain **two** limitations of break-even analysis. [3]

**Section B (Essay)**

Answer **one** question only.

- 5 (a) Analyse why accurate cost data is important for all businesses. [8]  
(b) Discuss why a new business should focus more on managing its cash than making a profit. [12]
- 6 'A business mission statement is only important if it directly affects the strategy and tactics of that business.'  
Discuss this view. [20]
- 7 (a) Analyse the possible disadvantages to a business of using performance related pay to motivate its employees. [8]  
(b) Discuss the view that the most important role of human resource management (HRM) in all businesses is to maintain a high level of staff morale and welfare. [12]

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