

## Question 1

Question	Possible Responses	Max. Mark
11	<p data-bbox="456 297 1149 360"><b>Explain two rights of the data subject (an individual) under data protection law.</b></p> <ul data-bbox="496 389 1149 1126" style="list-style-type: none"><li data-bbox="496 389 1149 629">● <b>Right of individuals not to be subjected to automated decision making:</b> Important decisions about Data Subject, such as rating of work performance, creditworthiness, or reliability, may not be made solely by computer automated means, unless the consent to this is given/ human input into such decisions.</li><li data-bbox="496 658 1149 745">● <b>Right to complain</b> to the Data Protection Commissioner when some data controllers are not complying with the Data Protection Act.</li><li data-bbox="496 775 1149 880">● <b>Right of access to own files:</b> The right to get a copy of the data held by the Data controller.</li><li data-bbox="496 909 1149 996">● <b>Right to have any errors corrected:</b> Inaccurate information held by the Data Controller about the data subject can be rectified or erased.</li><li data-bbox="496 1025 1149 1126">● <b>Right to Privacy</b> under Data Protection and privacy in telecommunications regulations to prevent your data from being used for direct marketing purposes.</li></ul>	2@5(3+2)

## Question 2

Question	Possible Responses	Max. Mark
<b>8</b>	<p><b>(a) Explain the term national minimum wage.</b></p> <p>The <b>legal</b> minimum <b>hourly</b> payment to an employee. The national minimum wage rates are set by the government.</p> <p>€11.30 (aged 20 and over); €10.17 (aged 19); €9.04 (aged 18); €7.91 (under 18 years of age)</p>	(3+2)
	<p><b>(b) Describe one possible economic impact on Irish businesses of the increase in the national minimum wage.</b></p> <ul style="list-style-type: none"> <li>• Profits of business may decrease due to higher costs.</li> <li>• Increased costs may result in redundancies. The increased hourly rate of hiring employees may force the business to reduce staff numbers.</li> <li>• Further Wage Claims. Other sections of the labour force may seek a pay rise in response to an increase in minimum wage.</li> <li>• Increase prices may result in loss of trade. Increased wage costs are passed on to consumers as higher prices.</li> <li>• FDI may not be as attracted to Ireland. Higher wage costs will mean Ireland is not as competitive.</li> </ul>	(3+2)

Question 3

Question	Possible Responses	Max. Mark
10	<p><b>Outline two characteristics/skills associated with entrepreneurs.</b></p> <p><b>Risk Taking:</b> An entrepreneur takes a personal and financial risk in setting up a new business with no guarantee of success. Entrepreneurs invest their time and money to set up a new business.</p> <p><b>Decision making:</b> An entrepreneur has to be able to make decisions for the benefit of the business, often in situations under pressure. They must be able to analyse the intended and unintended consequences of their decisions. Entrepreneurs learn to consult others when making decisions.</p> <p><b>Innovation/creativity/exploiting opportunity:</b> Entrepreneurs come up with new ways of doing things. Entrepreneurs show imagination, resourcefulness and readiness to undertake new projects. They think outside the box to develop new products or new versions of existing products.</p> <p><b>Resilient:</b> Entrepreneurs are willing to overcome setbacks and work around obstacles. They see failure as an opportunity to learn.</p> <p><b>Confident/determined/self-belief:</b> Entrepreneurs have a strong sense of self-belief and conviction about their own business ideas. They have belief in their ability to make the business a success.</p> <p><b>Ambition:</b> Having ambition and having a strong desire for success or achievement is central to being an entrepreneur.</p>	2@(3+2)

Question 4

5.		Draft an email from Mike Hannon, Sales Manager to all staff at superstore.ie outlining <b>two</b> rights customers have under General Data Protection Regulation (GDPR).	10		
		<table border="1"> <tr> <td data-bbox="427 389 584 461"><b>Recipients:</b></td> <td data-bbox="584 389 1161 461">staff@superstore.ie ①</td> </tr> </table>	<b>Recipients:</b>	staff@superstore.ie ①	5 x 1m
<b>Recipients:</b>	staff@superstore.ie ①				
		<table border="1"> <tr> <td data-bbox="427 461 584 533"><b>Subject:</b></td> <td data-bbox="584 461 1161 533">GDPR ①</td> </tr> </table>	<b>Subject:</b>	GDPR ①	
<b>Subject:</b>	GDPR ①				
		<p>Hi all, ①</p> <p>Please be aware of the following rights of all our customers under GDPR:</p> <ul style="list-style-type: none"> <li>- Customers have the right to request a copy of personal data held.</li> <li>- Customers have the right to question the use of their personal data</li> <li>- Incorrect information must be corrected.</li> <li>- Data must be erased if requested by the customer.</li> <li>- Information must be portable.</li> </ul> <p>Regards ① Mike Hannon ①</p>	3m + 2m		
		<table border="1"> <tr> <td data-bbox="427 1052 584 1115"><b>Send</b></td> <td data-bbox="584 1052 1161 1115"></td> </tr> </table>	<b>Send</b>		
<b>Send</b>					

Question 5

Question	Possible Responses	Max Mark										
7.	<p data-bbox="416 344 1054 376">Write True or False after each of the following statements.</p> <table border="1" data-bbox="416 421 1107 741"><tbody><tr><td data-bbox="416 421 762 483">1</td><td data-bbox="762 421 1107 483">False</td></tr><tr><td data-bbox="416 483 762 546">2</td><td data-bbox="762 483 1107 546">False</td></tr><tr><td data-bbox="416 546 762 609">3</td><td data-bbox="762 546 1107 609">False</td></tr><tr><td data-bbox="416 609 762 672">4</td><td data-bbox="762 609 1107 672">False</td></tr><tr><td data-bbox="416 672 762 741">5</td><td data-bbox="762 672 1107 741">True</td></tr></tbody></table>	1	False	2	False	3	False	4	False	5	True	3,2,2,2,1
1	False											
2	False											
3	False											
4	False											
5	True											

**Question 6**

Question	Possible Responses	Max Mark
11.	<p><b>Illustrate your understanding of a Joint Labour Committee.</b></p> <p>A Joint Labour Committee (JLC) is an independent body made up of equal numbers of employer and worker representatives. A JLC sets the employment conditions and minimum rates of pay for employees in a certain sector, for example, contract cleaning. JLCs are set up by the Labour Court following an application from either:</p> <ul style="list-style-type: none"> <li>• The Minister for Enterprise, Trade and Employment</li> <li>• A trade union</li> <li>• Any organisation that represents the workers or the employers involved</li> </ul> <p>The chairman and substitute chairman of a JLC is appointed by the Minister for Enterprise, Trade and Employment.</p> <p>Examples of current JLC's include: agricultural workers, Catering, contract cleaners, early learning, hairdressing, hotels, security industry, retail and grocery sector and English language schools</p>	10m(4+3+3)

## Question 7

Question		Possible Responses	Max Mark
12.	(i)	<b>Explain the term teamwork</b>  A group of individuals/employees working together to achieve a certain objective.	4m(2+2)
	(ii)	<b>Name the four stages of team development</b> Forming Storming Norming Performing	6m(2+2+1+1)



Question 9

Question	Possible Responses	Max Mark
(A)	<p><b>Outline, using examples, the different types of planning that contribute to the success of Miriam’s crèche.</b></p> <p><b><u>Strategic plan</u></b></p> <ul style="list-style-type: none"> <li>This refers to a long-term plan outlining the goals or objective to be achieved over a longer period of time. A plan that outlines the goals to be achieved over the next 5-10 years.</li> </ul> <p>Link to text:  <b>“Miriam aims to be the leading provider of childcare services in the area by 2030.”</b></p> <p><b><u>Tactical plan</u></b></p> <ul style="list-style-type: none"> <li>A tactical breakdown of the strategic plan into goals or objectives to be achieved within the next 1-2 years. Short term plans.</li> </ul> <p>Link to text  <b>“In 2019 Miriam started to research taking over a competitor”.</b>            Or  <b>“After 12 months of negotiations, Miriam bought a rival business who owned three nearby creches.”</b></p> <p><b><u>Contingency plan</u></b></p> <ul style="list-style-type: none"> <li>This is a plan for emergencies or unforeseen events. Often referred to as a back-up plan.</li> </ul> <p>Link to text:  <b>“They discussed the need to have adequate policies in place to protect the business in case a child is injured in the creche.”</b></p> <p><b><u>Operational plan</u></b></p> <ul style="list-style-type: none"> <li>This is a plan outlining the goals or objectives to be achieved on a daily or weekly/monthly basis.</li> </ul> <p>Link to text:  <b>“Miriam manages the business on a day to day basis.”</b>            Or  <b>“Miriam communicates all key messages at the weekly staff meetings.”</b></p> <p><b><u>Mission statement</u></b></p> <ul style="list-style-type: none"> <li>This is an overall vision document for a business. Who we are? Our values? What we do</li> </ul> <p>Link to text:  <b>“The vision for the business is to offer each child the surroundings to develop to their full potential with friendly professional staff.”</b>            or  <b>“Miriam’s crèche offers childcare services for children aged between three months and 12 years of age.”</b></p>	<p>30</p> <p>8,8,7,7,</p> <p>(3+3+2)</p> <p>(2+3+2)</p>

(B)

### **Manpower Planning**

- HR planning involves identifying the staffing needs of the organisation.
- It's about having the right people, with the right skills at the right time. HR planning can identify future staffing needs and lead to recruitment.

Link to text:

**"She places importance on attracting and retaining high quality staff."**

### **Budgeting/Financial Planning**

Setting targets for income (sales revenue) and expenditure.

Link to text:

**"Prior to setting up the business, Miriam's experience with budgeting, insurance and taxation was limited."**

**"Miriam hired the services of a local accountant to ensure the company paid the correct amount of taxation on their profits. "**

**(i) Discuss, with reference to the text, the types of business insurance you would recommend for Miriam's crèche.**

3@6(2+2+2)

#### **Public Liability Insurance:**

Public liability insurance protects the business against financial loss as a result claims made by members of the public such as consumers who are injured or hurt on the business premises.

Link to text:

**"They discussed the need to have adequate policies in place to protect the business in case a child is injured in the creche."**

#### **Employer's Liability Insurance:**

Employer's liability protects the business against financial loss as a result claims made by employees as a result of injuries they have sustained in the workplace.

Link to text:

**"The meeting also highlighted the need to have cover in place against the risk of financial loss as a result of a member of staff claiming for injury."**

#### **Premises Insurance/Buildings and contents insurance:**

This provides the business with protection against any loss caused by damage to the structure of the building caused by fire, flood or storm. You should ensure a smoke alarm is fitted and there are adequate fire extinguishers in the premises.

This provides the business with protection against any loss or damage to stock, raw materials, components etc. caused by burglary, fire or flood.

Link to text:

**"Miriam bought a rival business who owned three nearby creches."**

Or **"Miriam Brophy set up Miriam's Crèche and Childcare Ltd in**

**2017.”**

**Motor Insurance:**

A compulsory type of insurance that must be paid by law if the business or individual own a motor vehicle. Protects the business from being at a financial loss as a result of a motor accident.

Three types of motor insurance include; third party insurance, third party fire & theft and fully comprehensive insurance.

Link to text:

**“The Crèche offers a bus service to and from the ‘afterschool’ for primary school children.”**

or

**“The bus is branded with the company logo.”**

**Pay Related Social Insurance**

**(ii) Describe two types of taxation Miriam’s Crèche might pay.**

**Corporation Tax:**

- This a tax on the profits made by a company.
- The rate of corporation tax on a companies’ profits is 12.5% in Ireland.

Link to text:

**“Miriam hired the services of a local accountant to ensure the company paid the correct amount of taxation on their profits.”**

**Motor Tax:**

- This is a taxation on any vehicle owned by a business.
- Motor tax is compulsory by law.

Link to text:

**“The Crèche offers a bus service to and from the ‘afterschool’ for primary school children.”**

Or

**“The bus is branded with the company logo.”**

**Value Added Tax**

**Commercial Rates:**

- Commercial rates are a local property tax on Commercial Properties and the income raised goes towards meeting the cost of services provided by the local County Council. Rates are payable on commercial properties, such as shops, offices, factories, licensed premises and other non-domestic properties.
- Certain childcare providers are exempt from paying commercial rates.

Link to text:

**“However, as a business owner, she had to familiarise herself with new payments such as commercial rates”**

(C) Evaluate the **price** and **promotion** element of the marketing mix for Miriam’s Crèche.

Question	Possible Responses	Max Mark
(C)	<p><b>Price:</b></p> <ul style="list-style-type: none"> <li>The business can choose from high price strategies; (such as premium pricing or price skimming), low price strategies such as; (penetration pricing or predatory pricing).</li> <li>The price element of the marketing mix involves a business considering; competitor prices, the state of the economy, the disposable income of the target market and the cost of producing the product/service.</li> </ul> <p>Link to text:  <b>“Miriam charges a higher price than any of her competitors in the area.”</b></p> <p><b>Evaluation</b></p> <p><b>Promotion:</b></p> <ul style="list-style-type: none"> <li>Promotion refers to all methods used by the business to create awareness of the product/service.</li> <li>It may involve advertising, public relations.</li> <li>Promotion methods used depend on the type of product, budget available, position in product life cycle.</li> </ul> <p>Link to text:  <b>“Annually, Miriam sponsors sports kits for local underage sports teams.”</b>  or  <b>“She feels that sponsorship and an effective social media campaign are more effective than paying for advertisements.”</b>  or  <b>“When sponsoring teams, Miriam insists her business logo is visible on the team kit and the team must organise a photo event with local newspapers.”</b>  or  <b>“The bus is branded with the company logo.”</b></p> <p><b>Evaluation</b></p> <p>Candidates may do one overall evaluation worth 4m at the end. An evaluation of both the price and the promotion elements are required.</p>	<p>20</p> <p>2 x 10m</p> <p>3m</p> <p>3m</p> <p>+2m</p> <p>2m</p> <p>Evaluation</p>

**Question 10**

<b>3</b>	<b>(A)</b>	<p><b>Outline the importance of European Union (EU) membership for Ireland.</b></p> <p><b>Free movement of goods services and labour:</b> The creation of the Single Market in 1993 eliminated trade barriers within the EU, allowing for the free movement of goods, services, labour and capital between member states. This helps Irish businesses attract high quality labour from EU countries.</p> <p><b>Larger market/Increased Sales</b> Bigger market for Irish businesses leading to greater sales potential. Irish businesses can expand and grow by trading in other EU countries. This leads to increased profitability and diversification for Irish businesses who export to the European Union.</p> <p><b>Spin-off effect of FDI for Irish Businesses</b> As a member of the EU with open access to the EU market the Irish economy attracts foreign direct investment (FDI), thereby creating employment opportunities. The value of (FDI) in Ireland stands at over €30 billion today. Many Irish businesses supply raw materials and services to multinationals.</p> <p><b>Small Irish agricultural businesses benefit from CAP</b> Farmers, under the Common Agricultural Policy (CAP), receive income support measures. Between 1973 and 2008, Irish farmers received €44 billion from the (CAP). This helps Irish farming businesses stay viable.</p> <p><b>Single currency in the Eurozone/Economic Monetary Union</b> The introduction of the single currency brought additional incentives for foreign investors to locate in Ireland, along with relative price stability. The euro has made life easier for Irish businesses and travellers trading or visiting in the euro zone.</p>	4@5(2+3)
<b>3</b>	<b>(B)</b>	<p><b>Evaluate the role of special interest groups in the European Union (EU).</b> <b>Use an example to support your answer.</b></p> <p>Special interest groups are groups which attempt to influence the political and decision making process of the European Union.</p> <p>Special interest groups attempt to influence the decision makers in the European Union. The methods they employ include;</p> <p><b>Set up offices in Brussels and Strasbourg:</b> Some Special Interest groups have permanent offices in Brussels and Strasbourg and put pressure on Members of the European Parliament and the Commission through media pressure and demonstrations.</p> <p><b>Lobbying:</b> a deliberate effort to influence the decision making process by promoting a particular point of view. They lobby commissioners to ensure their viewpoint is represented in draft legislation.</p> <p><b>Information campaigns:</b> Special Interest groups speak in media</p>	2@5(2+3)

such as TV, radio etc to

**Public protests:** The interest groups can organise public protests that bring attention to an issue.

**Evaluation**

Example required for full marks

3m (0,1,3)

2m

Question 11

Question	Possible Responses	Max. Mark
3 (C)	<p><b>Discuss the positive and negative impacts of multinational companies (MNC's) in Ireland. Use examples to support your answer.</b></p> <p><b>Spin off effect/ Sales for Irish firms</b>-MNC's are consumers of Irish goods and services and indigenous businesses can increase their profits by supplying these. E.g McDonald's purchases over 40,000 tonnes of Irish beef every year.</p> <p><b>Taxes</b> -All MNCs are subject to a corporation tax. The government can use this money to invest in support for indigenous Irish businesses reducing their costs of business. E.g. The Irish government receive taxation from MNC's such as Intel.</p> <p><b>Training</b>-Multinational companies provide the highest standard of training to employees. This benefits the Irish labour force who work for multinational as their skillsets and qualifications are enhanced. E.g. Multinational companies such as Johnson and Johnson and Google invest in training their staff.</p> <p><b>Create jobs</b> - Multinational companies provide a large amount of employment opportunities for the Irish labour force. e.g. A large amount of Irish people work for multinational companies such as Irish people working for Facebook, Twitter etc.</p> <p><b>Loyalty</b> -They show no loyalty to Ireland and can leave without warning for cheaper economies. e.g. Dell relocated many Irish jobs to Poland which caused major job losses and business closures in the Shannon area.</p> <p><b>Increased competition</b> - Because of the economies of scale these businesses enjoy, they are able to charge lower prices for their goods and services. It is very difficult for small Irish businesses to compete with this and may cause them to leave the market altogether. E.g. Ikea furniture compared with domestically produced furniture.</p>	<p>1@7(2+3+2) 3@6(2+2+2)</p>

**Competition for Employees-** Large MNCs can offer very generous remuneration packages for employees that smaller businesses would not be able to afford. This may make it more difficult for Irish tech firms to attract employees with suitable skills to their business. E.g. they might choose to work for Google etc.

**Influence** - Large MNCs have been known to exert influence over government and their policies. This means they may convince the government to bring in legislation that may benefit them but impact negatively on smaller Irish businesses in the same line of business. e.g. Apple might influence the government regarding taxation.

Question 12

Question			Possible Responses	Max Mark
3	(A)	(i)	<p><b>Explain the term Balance of Payments.</b></p> <p>Balance of Payments refers to the difference between the total exports and total imports in a country.</p> <ul style="list-style-type: none"> <li>• It is the difference between all physical goods and services sold to foreign based customers in other countries, and the value of the visible and invisible imports, physical goods and services purchased by Irish consumers from foreign based businesses.</li> <li>• Surplus may exist if the total exports are greater than the total imports</li> <li>• Visible exports include goods such as beef. Visible imports include cars</li> <li>• Invisible exports include services sold to foreign based customers such as Aer Lingus flights to American tourists</li> </ul>	6m(3+3)
	(A)	(ii)	<p><b>Calculate the Balance of Trade and the Balance of Payments using the data above. State whether your answer is a surplus or a deficit. Show your workings</b></p> <p><b>Balance of Trade</b></p> <p>Visible Exports – Visible Imports <b>1</b></p> <p>€ 72bn - € 34bn = € 38bn <b>surplus</b></p> <p><b>1 1 1 1 1</b></p> <p><b>Balance of Payments=</b></p> <p>Total Exports – Total Imports <b>1</b></p> <p>(72bn+93bn) - (34bn+84bn) = €47bn <b>surplus</b> [Own Figure Allowed]</p> <p><b>1 1 1 1 1 1 1</b></p> <p>OR</p> <p>€165bn- €118bn = €47bn <b>surplus</b> [Own Figure Allowed]</p>	<p>BOT 6marks</p> <p>(formula and each correct figure 1mark and surplus 1 mark)</p> <p>BOP 8marks</p> <p>(formula and each correct figure 1mark and surplus 1 mark)</p>

Question 13

Question	Possible Responses	Max Mark
<p>3 (B)</p>	<p><b>Apart from taxation, discuss the reasons why multinational companies locate in Ireland.</b></p> <p><b>Educated Workforce</b> Ireland has an educated and highly skilled workforce. This gives MNC's a better pool of workers with sought after skills to choose from. The share of 30-34 year olds with a third level qualification is 53.5% compared to an EU average of 40%.</p> <p><b>Access to EU Market</b> By setting up in Ireland, large companies can sell their products freely throughout the large EU market without any barriers to trade. This increases their profits.</p> <p><b>English Speaking</b> English is considered the language of business and this encourages businesses to locate here as Ireland is the only country in the Economic Monetary Union whose first language is English.</p> <p><b>Grants/Developed Business parks</b> MNC's can avail of generous supports offered by state agencies such as business parks or funding to reduce the cost of setting up and running their business here.</p> <p><b>Cluster effect</b> The concentration of MNC's in Ireland may force domestic businesses to innovate in order to compete. This increased innovation leads to more advanced skills and knowledge being developed in an industry.</p> <p><b>Geographical Location</b> Ireland acts a bridge between the US and Europe. In addition Ireland is very close to the UK which is one of the largest economy in the world.</p>	<p>4@5m (2+3)</p>

**Question 14**

Question			Possible Responses	Max Mark
3	(C)	(i)	<p><b>Distinguish between the terms the standardised marketing mix and the adapted marketing mix.</b></p> <p>Standardised marketing mix refers to a business using the same tactics for their global marketing mix( global product, global price , global promotion and global place) whereas</p> <p>The adapted marketing mix refers to a business changing the global product, global price, global promotion, global place strategies to meet local considerations e.g. local culture, local language, local standard of living, distribution costs, religion etc.</p>	2@5m(2+3)

Question			Possible Responses	Max Mark
3	(C)	(ii)	<p><b>Explain the importance for Ireland of any one of the following policies of the European Union</b></p> <p><b>Common Agricultural Policy</b>  <b>EU Social Policy</b>  <b>EU Competition Policy</b></p> <p><u><b>Common Agricultural Policy</b></u></p> <p><b>Promotes a fair standard of living for farmers:</b>            The Common Agricultural Policy gives grants farmers under the single payment scheme. The EU makes these payments to farmers to help the viability of the farm business and to enhance food, safety and environmental standards.</p> <p><b>Free trade/No barriers or restrictions</b>            EU farmers are allowed to sell their produce to other EU member states without any barriers or restrictions. This allows Irish farmers to export to a large market.</p> <p><b>Improved Produce</b>            The CAP gives EU farmers grants to spend on improving their land and animals. This helps Irish farmers to produce/offer quality crops and rear quality animals, which helps increases sales and profitability.</p> <p><b>Protect Farmers from Competition</b>            The common agricultural policy adds tariffs to non-EU food imports to make them dearer. This will encourage consumers to buy more from farmers/producers within the European Union.</p> <p><b>Food Safety Standards</b>            The CAP provides for the regulation of the production of food so that all food reaches consumers in high quality. It also provides for the traceability of food – farm to fork</p>	2@5m(2+3)

### **Food Supply**

It ensures that EU countries have access to a secure and stable supply of food at reasonable prices. The consumer should not be reliant on food imports and fluctuating prices

### **EU Social Charter**

#### **Free movement of Labour**

Workers have the right to migrate freely which benefits employers in terms of recruitment and selection.

#### **Working conditions**

Employees have the right to fair working conditions. The establishment of the working hours directive etc. EU workers can work only a maximum of 48 hours a week. They also have the right to public holidays and pay for four weeks paid annual holiday.

#### **Health protection and safety**

Health protection and safety at work elements to the charter have forced employers to improve health and safety conditions in the work place.

### **The Competition Policy**

#### **Bans price fixing cartels:**

It restricts Irish businesses from forming anti-competitive cartels or keeping prices artificially high or preventing newcomers from entering the market.

#### **Approves mergers and takeovers to ensure fair competition:**

The commission has the power to control large mergers and takeovers. In doing business with smaller firms, large firms may not use their bargaining power to impose conditions which would make it difficult for their supplier or customer to do business with the large firm's competitors.

Question 15

Question 5		Max Mark
Managing		
(A)	Evaluate <b>two</b> leadership styles the business manager at M6 motors could adopt, provide reasons for your choice.	2@10m (2+3+3+2) Name Explain Explain Link

(A) Evaluate two leadership styles the business manager at M6 motors could adopt, provide reasons for your choice. (20)

Question	Possible Responses	Max Mark
5 (A)	<p><b>Democratic Leadership Style</b></p> <p>A Democratic leader is the most suitable management style for this type of business. This type of leader involves staff, trust their staff, has open communication and delegates responsibility.</p> <p><b>Staff are consulted about decisions.</b> A democratic leader is inclusive and involves employees in decision making. This helps the employees to feel a sense of trust and this increases staff motivation. The leader at M6 motors could improve staff motivation by consulting staff about decisions.</p> <p><b>Improved communications and improved decision making.</b> Problems can be more easily solved with open channels of communication, employees in this type of business will not fear their manager and can approach them with issues in the business.</p> <p><b>Increased Productivity.</b> Employees who are motivated work harder. If an employee is happy in their workplace, they feel trusted and valued, their output will increase.</p> <p><b>Creates a culture of intrapreneurship.</b> Democratic leaders actively encourage their employees to be creative. Employees are also more likely to be more creative and innovative as they are valued in the organisation.</p> <p><b>Reduces management workload and stress</b> – by delegating responsibility and empowering staff, democratic leaders free up more time to focus on the long-term goals of the business.</p> <p><b>Easier to implement change</b> – a democratic leader can introduce change in a workplace much more seamlessly as they have the respect and trust of their employees. They openly communicate and consult with staff which results in buy-in from the employees.</p>	20  2@10 (2+3+3+2)

### **Autocratic leadership Style**

The leader gives instructions to subordinates. S/he makes decision without consulting with anyone. Example: A product recall or an emergency in store.

Characteristics

- The leader gives instructions to subordinates.
- Decision making is not shared/no consultation.
- Little room for employee innovation.

### **Laissez faire (Free reign) Leadership**

Management involvement is minimised/Very highly skilled employees (such as middle managers) may make their own decisions and there is no requirement for central coordination.

Characteristics

- Very highly skilled employees/experts (such as middle managers).
- This involves allowing subordinates to set their own goals and achieve them without interference of management.
- Requires employees who are very engaged with their work.

## Question 16

<b>(B)</b>	Discuss how stock control and quality control achieve efficiencies for a business such as M6 Motors.	2 x 10m (4+4+2) Explain, Explain, Reference	20
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**(B)** Discuss how stock control and quality control achieve efficiencies for a business such as M6 motors. (20)

Question		Possible Responses	Max Mark
5	(B)	<p><b>Stock Control</b></p> <p>A business needs to control its stock to ensure it has optimum stock levels to meet customer demand at all times.</p> <p>Too much stock will lead to obsolescence, tied-up capital, increased storage and insurance costs and risk of theft.</p> <p>Too little stock can lead to lost sales, reduces customer loyalty and result in brand damage.</p> <p><b>Quality Control</b></p> <ul style="list-style-type: none"> <li>• The aim of quality control is to ensure that all products reach a specific standard set by the business, the industry or quality organisations.</li> <li>• It can involve appointing a Quality controller, doing regular physical inspections, sampling etc.</li> </ul>	<p>20</p> <p>2 x 10 (4,4,2)</p> <p>(4,4,2)</p>
		<ul style="list-style-type: none"> <li>• These systems will result in consistence and greater customer satisfaction. A business can also apply for Quality awards such as Q mark or ISO9000.</li> </ul>	

**Question 17**

- (C) (i) Explain the term intrapreneurship.  
(ii) Outline three methods, management in a business could use to encourage intrapreneurship. (20)

Question			Possible Responses	Max Mark
5	(C)	(i)	<ul style="list-style-type: none"> <li>• An employee within a business who engages in entrepreneurial activity/comes up with new ideas within/for the business in which she/he is employed.</li> <li>• Intrapreneurs come up with ways of reducing costs or ideas for new products.</li> </ul>	20 5m (2+3)
		(ii)	<p><b>Provide resources – Time and capital</b>  Make resources available to help employees to pursue their ideas (e.g. finance, time).</p> <p><b>Financial rewards for effort and creativity</b>  These rewards could involve a mixture of pay, incentives and benefits.</p> <p><b>Adopt a matrix organisational structure/arrange staff into teams/brainstorming sessions</b>  Teamwork encourages creativity among employees as it facilitates brain storming sessions as part of the product development process etc.</p> <p><b>Adopt a facilitative approach to management</b>  Manager could adopt a facilitative approach to management.</p>	3 x 5m (2+3)

**Question 18**

Question	Possible Responses	Marks
8 (A) (i)	<p>A product portfolio is a <b>collection/range</b> of all products and services a company offers <b>available for sale</b> to its customers.</p>	6(3+3)
(ii)	<p><b>Demographic segmentation</b></p> <ul style="list-style-type: none"> <li>• Analyses consumers according to age, gender, family size, income, occupation.</li> <li>• For mass marketing demographic is one of the best ways as everyone has an age, gender and income.</li> <li>• Example Required.</li> </ul> <p><b>Geographic segmentation</b></p> <ul style="list-style-type: none"> <li>• Analyses consumers according to location county/region/country etc.</li> <li>• By using segments such as urban versus rural, north versus south, sea coasts versus interior, warm areas versus cold, the business can design a marketing strategy to satisfy the chosen target markets.</li> <li>• Example Required.</li> </ul> <p><b>Psychological</b></p> <ul style="list-style-type: none"> <li>• Analyses consumers according to social status, lifestyle and personality type.</li> <li>• Attitudes- concerns around production.</li> <li>• Lifestyles – health conscious</li> <li>• Example Required.</li> </ul> <p><b>Behavioural</b></p> <ul style="list-style-type: none"> <li>• Analyses consumer according to their knowledge of and attitude toward the use of the product, impulse buying/value for money (special prices), gift packs of him/her.</li> <li>• Example Required.</li> </ul>	2@7(2+3+2) Method, Explain, Reference
Question	Possible Responses	Marks
8 (B)	<p><b>Indicates the size of the market</b> Market research indicates the size of the market and the number of potential customers. Research will show whether the market is increasing, decreasing or stagnant.</p> <p><b>Reduces risks and can reduce costs</b> Market research identifies the potentials challenges a business will face and allows plans to be put in place about how to overcome obstacles.</p> <p><b>Identifies competitors</b> Market research identifies who are a business's competitors in a market and what their competitive advantage is.</p> <p><b>Tests consumer reaction</b> Market research can help a business to ascertain what consumers want in a product and their views on prototypes or product ideas. This allows a business to get feedback on product packaging, branding, pricing, the features of the product or service.</p> <p><b>Predicts sales</b> Market research can estimate the likely level of sales for a product and therefore estimate the level of production required.</p>	3@5(3+2)

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Question 19

Question	Possible Responses	Marks
<p>8 (C)</p>	<p style="text-align: center;"><b>Break Even Chart of P and G</b></p> <p>(i) Break Even Point = <math>600,000 \div (10-5)</math>          = <u>120,000 units or €1,200,000 sales</u> 4</p> <p>(ii) Margin of Safety = <math>200,000 - 120,000</math>          = <u>80,000 units</u> 4</p> <p>(iii) Profit at forecast output = <math>2,000,000 - (600,000 + 1,000,000)</math>          = <u>€400,000</u> 4</p>	<p><u>Break Even Chart:</u></p> <p>Title 2m          Axis 1m          Axis 1m</p> <p>FC 3m          TC 3m          TR 3m</p> <p>BEP 4m          Profit at FO 4m          MoS 4m</p> <p style="text-align: center;"><b>OR</b></p> <p><u>Calculations only:</u></p> <p>BEP 4m          Profit at FO 4m          MoS 4m</p>