



**Section A (Short Answer)**

Answer **all** questions.

- 1 (a) Define the term 'random sampling'. [2]  
(b) Briefly explain **two** benefits to a business of using quota sampling as a method of collecting data. [3]
- 2 (a) Define the term 'workforce planning'. [2]  
(b) Briefly explain **two** benefits to a business of workforce planning. [3]
- 3 Explain why the objectives of a business may change over time. [5]
- 4 (a) Define the term 'diseconomies of scale'. [2]  
(b) Briefly explain **two** functions of an operations management department. [3]

**Section B (Essay)**

Answer **one** question only.

- 5 (a) Analyse the advantages to an entrepreneur of purchasing a franchise to start a business. [8]  
(b) Discuss factors that could lead to the failure of a small business which repairs cars. [12]
- 6 A loss-making state-owned airline has a reputation for poor customer service. Its Human Resource Director suggested that: 'the best way to improve this business is to pay our employees higher wages and give them an end of year bonus'.  
Discuss this suggestion. [20]
- 7 (a) Analyse how break-even analysis might be used by a business when making a decision to introduce a new product. [8]  
(b) Discuss the usefulness of accounting ratios for assessing the performance of a large food retailing business. [12]



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