

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 'Product Life Cycle'. [2]
(b) Explain **two** ways a business could extend a product's life cycle. [3]
- 2 (a) Define the term 'diversity' in a workforce. [2]
(b) Explain **two** benefits to a business of employing a diverse workforce. [3]
- 3 Explain how better management of trade receivables **and** trade payables can improve cash flow. [5]
- 4 (a) Define the term 'external economies of scale'. [2]
(b) Explain **two** internal economies of scale. [3]

Section B (Essay)

Answer **one** question only.

- 5 (a) Analyse the advantages of using different methods to measure the size of a business. [8]
(b) Discuss whether a partnership is the best legal structure for an accountancy business. [12]
- 6 'Using the Internet for marketing is essential to the success of a smartphone retailer.'
Do you agree with this statement? Justify your view. [20]
- 7 (a) Analyse the benefits to a business of motivating its employees. [8]
(b) Discuss whether a salary is the best payment method for motivating employees of a shoe retailer. [12]

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