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 'laissez-faire leadership'.
    (b) Explain two disadvantages to employees of autocratic leadership.

2. (a) Define the term 'market segmentation'.
    (b) Explain two benefits to a business of market segmentation.

3. Explain the advantages to a manufacturing business of using sale and leaseback of non-current assets as a source of finance.

4. (a) Define the term 'inventory reorder level'.
    (b) Explain two advantages to a business of holding buffer inventory.

Section B (Essay)

Answer one question only.

5. (a) Analyse the role of small businesses in a country’s economy.
    (b) Discuss the importance to an expanding business of effectively communicating its objectives to its workforce.

6. ‘An accurate cash flow forecast is the most important financial document for a clothing retailer when planning to enter a new market.’
   Discuss the extent to which you agree with this view.

7. (a) Analyse the benefits to a business of focusing on staff morale and welfare.
    (b) Discuss whether the ideas of David McClelland could help managers of a hospital to satisfy the human needs of its employees.