INSTRUCTIONS

- Section A: answer all questions.
- Section B: answer one question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [ ].
Section A (Short Answer)

Answer all questions.

1. (a) Define the term ‘market research’. [2]
   (b) Explain two reasons why a business might use secondary market research data. [3]

2. (a) Define the term ‘economies of scale’. [2]
   (b) Explain two possible causes of diseconomies of scale. [3]

3. Explain the benefits to a business of workforce planning. [5]

4. (a) Define the term ‘strategy’. [2]
   (b) Explain two stages of business decision-making. [3]

Section B (Essay)

Answer one question only.

5. (a) Analyse why it is considered important for a business to have human resource (HR) policies on diversity and equality. [8]
   (b) Discuss the importance for a hospital of ensuring a ‘work-life balance’ for its employees. [12]

6. Discuss the limitations of using cost information to monitor and improve the performance of a group of luxury hotels. [20]

7. (a) Analyse how a business might use price elasticity of demand when making pricing decisions. [8]
   (b) Discuss the importance to a car manufacturer of using the marketing mix to increase its market share. [12]