**5** Paying above the minimum wage is an example of:

1. A business opportunity
2. Being an ethical employer
3. Poor cash flow management
4. Wasting physical resources **[1]**

**8** A business produces goods which are of an inferior quality compared to that of its competitors. This is an example of:

1. A weakness of the business
2. Being competitive
3. Delegation of authority
4. Unethical trading **[1]**

**11** Which of the following is a political factor which may affect a public sector organisation?

1. A change in cultural beliefs
2. A change of government
3. An improvement in communication technology
4. An improvement in the standard of living **[1]**

**13** Interest rates in the UK rise. A UK manufacturer might be affected by this because:

1. Banks will be less willing to issue loans
2. Borrowing money will be more expensive
3. Raw materials purchased from abroad will be cheaper
4. More tourists will visit the UK **[1]**

**20** Which of the following is a benefit to a business of introducing an ethical trading policy?

1. A decrease in market share
2. An improved reputation
3. Cheaper prices
4. Compliance with the Equality Act **[1]**

**Business scenario:** *Convenience Corner*

Kirsten Halliburn is a sole trader. She owns *Convenience Corner*. Even though space is severely limited, Kirsten manages to stock a small selection of vegetarian, international and organic foods to cater for local demand. *Convenience Corner* opens at 6 am, seven days a week. The store usually remains open for a minimum of 16 hours each day. Kirsten believes that meeting customer needs is the key to business success. Kirsten, therefore, likes to keep the store’s closing times flexible.

*Convenience Corner* currently employs six sales assistants, all under the age of 25. Each member of staff is paid £2 per hour over the national minimum wage for their age. Depending on the time of day and how busy the store is, two or three members of staff are required to work at any one time. Kirsten has a good working relationship with her staff. All of the staff are contracted to work a 40 hour week, on a rota over different days and trading times. At weekends, and other busy periods, Kirsten expects the sales assistants to work additional hours as necessary, at very short notice, often through the night. In the past, the sales assistants have sometimes worked 60 hours a week, without complaint.

In March 2014, a national supermarket chain was granted permission to build a new supermarket close to *Convenience Corner*. The supermarket opened in July 2015. Its opening hours are 8am to 8pm Monday to Sunday.

Kirsten is concerned about the sales performance of *Convenience Corner*. She wonders how much impact the increased competition from the supermarket has had on *Convenience Corner*, and how much impact it may continue to have in the future.

27 Explain one benefit to Kirsten of having good working relationships with the sales assistants.

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**28** Evaluate possible impacts on *Convenience Corner* if Kirsten fails to comply with the Working Time Directive.

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**(c)** State **one** external stakeholder group who would be interested in the cash flow forecast of *Convenience Corner*.

Explain **one** reason for the interest of your chosen stakeholder group.

External stakeholder group \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Explanation \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **[3]**