1. OPQ Limited produces fruit juice drinks. The fruit to produce the drinks is produced locally on nearby farms but can also be imported at a cheaper price though the quality is not as good. When producing the fruit drinks there is a lot of waste from the parts of the fruit which is not used to make the drinks. Land near to the farm is available at a cheap price and the company wants to buy this land to expand rather than relocate the factory to another country. The market for fruit drinks is both at home and overseas.
2. What is meant by ‘relocate the factory’? [2]

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1. Identify **two** reasons why OPQ Limited buys its fruit from nearby farms. [2]

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1. Identify and explain **two** factors that influenced the location decision of OPQ Limited when choosing its original site. [4]

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1. Identify and explain **two** reasons why OPQ might want to buy land nearby to its existing factory to expand rather than to relocate to another country. [4]

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1. The government is offering grants to relocate to another area of the country. Do you think the managers of OPQ Limited should take advantage of these government grants? Justify your answer. [6]

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1. Sales4U is a chain of large clothes shops whose owners are looking for a location in the city centre for a new shop. The existing shops sell a range of clothes for men and women at low prices and all are located in busy shopping malls. There is a lot of competition from similar shops and the Managing Director thinks the new shop should not be located near to competitors.
2. What is meant by ‘competitors’? [2]

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1. Identify **two** advantages of a shop being located in a small town rather than the city centre. [2]

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1. Identify and explain **two** ways the government might influence toe decision of where to locate the new shop. [4

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1. Identify and explain **two** ways in which the location chosen for the new shop might have an effect on its profitability. [6]

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1. Do you think the Managing director is right in not wishing to locate the new shop near to its competitor’s shops? Justify your answer. [6]

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