

End of Year 10 Assessment

Unit 1, 2 and 6

**Question 1) Criteria A & D**

Camille is an entrepreneur. She owns a popular and successful hairdressing business. Camille wants to expand her small business. Camille currently employs 5 part-time workers, but she will have to recruit 3 more workers who will need on-the-job training. She thinks that her laissez-faire leadership style will have to change as her business grows.

- a) **List** two ways to measure the size of the business. (A2)

Business size can be measured in a number of ways. The most common are:

- number of employees
- value of output
- value of sales
- value of **capital employed**.

Any two will do...

- b) Camille thinks that her laissez-faire leadership style must change as her business grows. **Evaluate** this statement. (D8)

	Laissez-faire
Objectives	Usually set by the leader with or without any input from workers.
Decision-making	Delegated to workers who take the decisions.
Communication	Communication is most often upwards from subordinates to leader. Little feedback from manager.
Supervision of workers	No supervision by leader.
Availability of information	Workers provided with all the information they need to take decisions.
Motivation levels	Could be high or low depending on the task and skills of workers.

### *Laissez-faire* leadership

*Laissez-faire* is French for ‘leave to do’. *Laissez-faire* leadership tends to make the broad objectives of the business known to employees, but then they are left to make their own decisions and organise their own work. Communication can be difficult in this type of organisation as clear direction will not be given. The leader has only a very limited role to play.

The style of leadership used by a manager can vary depending on the employees being dealt with and the problem to be solved. Managers may not be autocratic leaders all of the time – it may be appropriate for them to be democratic over some issues, whereas other issues will need a decision imposing on the workforce.

Students need to explain Laissez-faire leadership style, with the guidelines given in the table above and then evaluate the same in the business Camille is doing and why she need to change that into which leadership style. Explaining the disadvantages of the same and advantages of any other leadership style they choose. (this is the guideline for the 8 mark evaluation)

### **Question 2) Criteria B**

[Announcing support for small businesses facing impacts of COVID-19 - YouTube](#)  
(Video Source)



Using the Statement of inquiry “*Government policies have a significant impact on the survival of small businesses*” and the video source provided: answer the following questions.

- a) Formulate a clear and focused research question to investigate the statement of inquiry. (B4)

With reference to your statement of inquiry and your video source **formulate** a clear and focused research question to present at the conference. **Note: If a clear and focused research question is based on an incorrect answer to question the maximum that can be awarded is 2 marks (4 marks)**

The student does not achieve a standard described by any of the descriptors below.

1-2	The student formulates a research question that is clear <b>and/or</b> focused, with a <b>limited</b> connection to the chosen source of video or statement of inquiry	The following is an example of a response that would be awarded <b>(2 marks)</b> : How has government supported the business during Pandemic? Or How does the government policies help business in Pandemic
3-4	The student formulates a research question that is clear <b>and</b> focused with a <b>clear</b> connection to the video source and statement of inquiry.	The following is an example of a response that would be awarded <b>(3 marks)</b> : To what extent the government policies have impacted the survival of the small business during the Pandemic?

- b) Justify your research question in relation to the statement of inquiry. (B4)

The student does not achieve the standard described by any of the descriptors given below.

1:	The student <b>outlines</b> the relevance of the research question to the topic of the conference	The following is an example of a response that would be awarded <b>(2 marks)</b> : My research question is relevant to the video source because it deals with the problems of small business that suffered during Covid 19
3:	The student <b>justifies</b> the relevance of the research to the topic of the conference.	The following is an example of a response that would be awarded <b>(3 marks)</b> : My research question is relevant to the video source and statement of inquiry because it deals with the current problems in most of the organization around the world. The way the government deals with some of the most important issues and often times cannot come to agreements because of the different policies and objective of the institution. (The government)

- c) State four appropriate communication methods to present main findings of your research.

(B4)

They can write Posters, Graphs, Bars, Charts, Presentations and Videos. (they have not done the same in marketing but know the methods of visual communication)

- d) Describe two anticipated difficulties and solutions that you would write in your investigative report.

(B4)

They will have varied answer depending on their research question and justification of the same

- e) Identify 4 varied sources of data that you will use to gather information for your research.

(B4)

Varied Sources are:

- 1) Company's website
- 2) Competitor's website/ information
- 3) Government Statistics
- 4) Consumer

5) Owners

6) Employees

### **Question 3) Criteria A & C**

Country S is enjoying an economic boom. During this time, businesses have increased their profits and unemployment has fallen. The only problem is inflation. All Active is a private limited company. It owns 20 sport and fitness clubs in Country S. The Managing Director said: 'This is a good time to expand by opening 5 more clubs. Finding the right locations is important. We will need to recruit more employees.' He cannot decide whether it would be an advantage for All Active to become a public limited company.

- a) **Identify** two advantages to All Active if they decide to become a public limited company.

(A2)

#### Advantages of a public limited company

- This form of business organisation still offers **limited liability** to shareholders.
- It is an **incorporated business** and is a separate legal unit. Its accounts are kept separately from those of the owners and there is continuity should one of the shareholders die.
- There is now the opportunity to raise **very large capital sums** to invest in the business. There is no limit to the number of shareholders a public limited company can have.
- There is no restriction on the **buying, selling or transfer** of shares.
- A business trading as a public limited company usually has high status and should find it easier to attract suppliers prepared to sell goods on credit and banks willing to lend to it than other types of businesses.

- b) **Explain** any two consequences of a rise in the level of inflation for All Active.

(A4)

If inflation rises, workers' wages wouldn't be able to cover the rising costs of goods and services. This means that consumers would have less disposable

income to spend on luxury goods and services and considering that All Active is a fitness club, they would see a fall in demand. Another consequence in the rise of inflation level for All Active is that the prices of home produced goods would increase, causing the country to import more than they export, which would cause mass unemployment. High unemployment levels means that All Active would not be able to hire many more employees, reducing their chance of business growth.

**Construct** a business plan that All Active can use for expansion (C8+ A4)

Case study example – Business plan for Pizza Place Ltd	
Name of business	Pizza Place Ltd
Type of organisation	Private limited company
Business aim	To provide a high-class takeaway pizza service including home delivery
Product	High-quality home-cooked pizzas
Price	Average price of \$5 with \$1 delivery charge
Market aimed for	Young people and families
Market research undertaken and the results	Research in the area conducted using questionnaires Also, research into national trends in takeaway sales and local competitors Results of all research in the appendix to this plan
Human Resources plan	Two staff (the business owners) to be the only staff to be employed initially
Details of business owners	Peter Yang – chef of 15 years' experience Sabrina Hsui – deputy manager of a restaurant for three years
Production details and business costs	Main suppliers – P & P Wholesalers Fixed costs of business – \$50000 per year Variable costs – approximately \$1 per unit sold
Location of business	Site in shopping street (Brunei Avenue) just away from the town centre Leasehold site (10 years)
Main equipment required	Second-hand kitchen equipment – \$4000 Second-hand motorbike – \$1000
Forecast profit	See financial appendix to this plan Summary: In the first year of operations the total costs are forecast to be \$55000 with revenue of \$85000. Predicted profit = \$30000 Level of output to break-even – 12500 units per year
Cash flow	See financial appendix to this plan Due to the high set-up and promotion costs there will be negative cash flow in the first year
Finance	\$10000 invested by each of the owners Request to bank for a further \$10000 plus an overdraft arrangement of \$5000 per month

They need to create a business plan with at least having 6-7 key points from the example (Criterion C) and for Criterion A the student need to explain about the key points why they are there in business plan.

#### **Question 4) Criteria A and C**

Halo Enterprises is a retail company that manufactures beauty products and is based in Country X, which is in Europe. The company is dedicated to offering the best ethical, natural and eco-certified beauty products available. Its products are made with natural and organic ingredients. Despite the economy going through recession, Halo has experienced tremendous growth in the last ten years and is thinking of expansion into international market as a growth strategy, either by exporting its goods or by setting up operations in the host countries. The company is trying to find out the best way of expansion while considering the impact of interest rates on its business.

- a) **Describe two ways by which Halo Enterprises can expand.**

Businesses can expand in two main ways:

- by **internal growth**, for example, a restaurant owner could open other restaurants in other towns – this growth is often paid for by profits from the existing business. This type of growth is often quite slow but easier to manage than external growth
- by **external growth**, involving a **takeover** or a **merger** with another business.

**They can also explain Horizontal, Vertical and Conglomerate merger. (A4)**

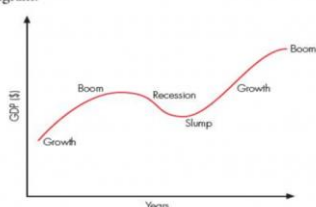
- b) **Some students in your class have not fully understood the concept of a business cycle. Write an email to them which explains the key features of the different stages of a business cycle. Include a diagram for further clarity.**

(A- 4 + C - 6)

### The business cycle

Economic growth is not achieved steadily every year – there are often years when the economy does not grow at all or when the value of GDP actually falls. This pattern is shown below on the trade cycle diagram.

The business cycle (sometimes known as the trade cycle) has four main stages, as shown on the diagram.



A business cycle diagram

- **Growth** – this is when GDP is rising, unemployment is generally falling and the country is enjoying higher living standards. Most businesses will do well at this time.
- **Boom** – this is caused by too much spending. Prices start to rise quickly and there will be shortages of skilled workers. Business costs will be rising and firms will become uncertain about the future.
- **Recession** – often caused by too little spending. This is a period when GDP actually falls. Most businesses will experience falling demand and profits. Workers may lose their jobs.
- **Slump** – a serious and long-drawn-out recession. Unemployment will reach very high levels and prices may fall. Many businesses will fail to survive this period.

Clearly, governments will try to avoid the economy moving towards a recession or a slump, but will also want to reduce the chances of a boom. A boom with rapid inflation and higher business costs can often lead to the conditions that result in a **recession**.

**Criterion C: Email- To, from, Subject, Kind regards or your's faithfully**

**with student's signature (3) Business Cycle with all the names of the stages**

**(3)**

**Criterion A: explanation of all the stages**

c) **Evaluate** the impact of an increase in interest rates of the host country on Halo Enterprises.

(D6)

Policy change	Effect on consumers	Effect on businesses	Business response
Increase in interest rates.	<ul style="list-style-type: none"> <li>Cost of borrowing increases thus people will borrow less.</li> <li>More incentive to save thus they will spend less.</li> </ul>	<ul style="list-style-type: none"> <li>Credit/cost of borrowing is more expensive; interest costs rise.</li> <li>With people spending less, business sales will drop.</li> </ul>	<ul style="list-style-type: none"> <li>Firms may delay or cancel their plans to expand as the cost of borrowing money is high.</li> </ul>

### **Question 1.3) Criteria C&D**

[Announcing support for small businesses facing impacts of COVID-19 - YouTube](#)

(Video Source)



- a) Using the video source given above and the *global context of Fairness & Development*, write a newspaper article to analyze how governments support small businesses during the pandemic. (C6+ D6)

(I have added this question with question 1)

What support do governments often give to start-up businesses?

Business start-ups need:	Governments often give support by:
Business idea and help	Organising advice and support sessions offered by experienced business people
Premises	'Enterprise zones', which provide low-cost premises to start-up businesses
Finance	Loans for small businesses at low interest rates Grants, if businesses start up in depressed areas of high unemployment
Labour	Grants to small businesses to train employees and help increase their productivity
Research	Encouraging universities to make their research facilities available to new business entrepreneurs

The support provided by the government to start-ups are similar in line with the support they provided to the small business during the pandemic. For newspaper article, they need to have a Title, subtitle, date, author's name and signature and their contact email or social media account (Criterion C) Introduction- about the news that is spoken in the video, Body Part- analysis of how government supports the business during pandemic through expert advice, information & services financial assistance, grants, subsidies etc. The analysis points can be that governments when they support businesses start ups or small will show in the form of increased profits and sales over a period of time. However in the short run, they will not lay off workers so government debt will not

Commented [RB1]: This isn't a Criterion B Task - it is Criterion C

Commented [RB2R1]: Put this into a separate section with a source or linked to a source

Commented [MS3R1]: @Mukta Mundhra you will need to change this because writing a newspaper article will be a Criterion C task.

Commented [MM4R1]: @Mahrukh Zubin Sutaria @Robert Bunyan This a criterion C question only I have given the marks as C6 in the bracket. we have been asked to mix all the criteria. The reason the question is here because the video source shown reflects on the global context

increase in terms of unemployment payments etc. Governments usually support businesses so that large scale of unemployment does not take place because finally it will effect the real GDP of the country.

**Conclusion-** summary of the report and how government in Canada working towards supporting the business