

- 1 (a) Identify **two** stakeholders of TWP and explain why each stakeholder is interested in the business.

For
Examiner's
Use

Stakeholder 1:

Explanation:

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Stakeholder 2:

Explanation:

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..... [8]

- (b) Consider the possible advantages and disadvantages of importing wood rather than buying locally produced wood. Recommend whether TWP should continue to import wood or whether it should change to buying locally produced wood. Justify your answer.

For
Examiner's
Use

Import wood:

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Buy locally produced wood:

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Recommendation:

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[12]

- 2 (a) Identify and explain **two** reasons why the business objectives of growth and increased profits are important to TWP.

For
Examiner's
Use

Reason 1:

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Explanation:

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Reason 2:

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Explanation:

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- 4 (a) Tibalt wants to motivate his employees. Identify and explain **four** ways he could use to motivate his employees.

For
Examiner's
Use

Way 1:

Explanation:

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Way 2:

Explanation:

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Way 3:

Explanation:

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Way 4:

Explanation:

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..... [8]

- (b) Consider the advantages and disadvantages of both job production and batch production for TWP. Recommend which production method he should use when producing products to a design provided by the customer. Justify your answer.

For
Examiner's
Use

Job production:

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Batch production:

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Recommendation:

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..... [12]

- 5 (a) The Government in country X supports sustainable development. Identify and explain **two** reasons why Governments pass laws to protect the environment.

For
Examiner's
Use

Reason 1:

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Explanation:

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Reason 2:

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Explanation:

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(b) Consider the advantages and disadvantages of each of the options below. Do you think Tibalt should take over another business or open a new factory? Justify your answer.

*For
Examiner's
Use*

Option 1 – Take over another wood product manufacturer:

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Option 2 – Open a new TWP factory:

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Recommendation:

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[12]

Tibalt's Wood Products (TWP)

TWP is based in country X. It makes wood products, such as windows and doors. These are sold to building firms which repair or build houses and offices.

TWP buys imported wood. TWP could buy materials from local forests that produce sustainable wood. This means the cut trees are replaced by newly planted ones. TWP uses imported wood because it is cheaper (at current exchange rates) and there is a wide range of different woods available. TWP uses both job production and batch production when producing wood products for its customers.

Tibalt owns TWP and he is a sole trader. Tibalt wants the business to continue to grow and become more profitable. He is thinking of expanding by taking over another wood product manufacturer.

He only sells his products to small businesses that build or repair houses and offices. A lot of people are now starting to build or repair their own houses. Tibalt is considering also targeting these customers. These customers are concerned about the environment. They only want to buy wood products made with materials from sustainable forests.

Appendix 1

Profit/loss account for TWP 2011 and 2012 (\$000s)

	2011	2012
Sales revenue	1000	1500
Cost of goods sold	500	700
Gross profit	500	800
Wages	100	100
Fixed costs	280	450
Total expenses	380	550
Net profit	120	250

Appendix 2

To: Tibalt@TWP.com
 From: Fred
 Date: 3 May 2013
 Re: Customer enquiry

I am building my own house. I want to know if your wood products are produced with wood from sustainable forests as I am worried about the environment. I do not mind if the products are a bit more expensive. How can I find out more about your products? I have not seen any promotions for your business.

Appendix 3

Competitor's advert

- Wood products are made to customer's own design.
- Any quantity supplied.
- All types of wood products available at low prices.
- All materials from local forests.

