



# **GCE**

## **Applied Business**

Unit **F257**: Managing Risk in the Workplace

Advanced GCE

### **Mark Scheme for June 2015**

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This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which marks were awarded by examiners. It does not indicate the details of the discussions which took place at an examiners' meeting before marking commenced.

All examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes should be read in conjunction with the published question papers and the report on the examination.

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## Annotations

Annotation	Meaning
	The response given is 'Unclear' to the marker.
	'Benefit of doubt' but credit given.
	To indicate the response is in 'Context' of the relevant case study.
	Response is incorrect, no credit can be given.
	Use for Level of response answers to indicate Level 1.
	Use for Level of response answers to indicate Level 2.
	Use for Level of response answers to indicate Level 3.
	Use for Level of response answers to indicate Level 4.
	The response is not incorrect but has 'Not answered the question'.
	Own figure rule. Use where indicated in the mark scheme.
	'Repeat' Response repeats the same marking point.
	'Noted but no credit given' or to indicate all or part blank answer pages have been seen by the marker.
	Correct point/answer. Credit can be given.
	No use of context/Context cannot be awarded

**Subject-specific marking instructions****Blank answer spaces**

To be sure you have not missed any candidate responses you must check every page of the question paper and annotate any blank answer spaces with the following annotation:

**SEEN****Additional Objects**

You must also check any additional pages (shown as Additional Objects) which the candidate has chosen to use.

Before you begin marking, use the Linking Tool, to 'link' any additional page(s) to the relevant question(s) and mark the response as normal.

**All** additional pages must be annotated with the 'SEEN' stamp, so it is clear to centres that the additional pages have been viewed by the marker.

**Testing of QWC**

In this external assessment the assessment of QWC will take place in Question 3 (e) which is a level of response question and carries 14 marks.

Marks are embedded within this question for assessing the quality of written communication. The following criteria are embedded within the levels of response for Question 3 (e).

**Level 4:**

Ability to present relevant material in a well planned and logical sequence. Material clearly structured using appropriate business terminology confidently and accurately. Sentences, consistently relevant are well structured in a way that directly answers question. There will be few, if any errors of grammar, punctuation and spelling.

[4 marks representing the appropriate level of written communication are embedded in this level of response]

**Level 3:**

Ability to present relevant material in a planned and logical sequence. Appropriate business terminology used. Sentences for the most part relevant presented in a balanced, logical and coherent manner which addresses the question. There will be occasional errors of grammar, punctuation and spelling.

[3 marks representing the appropriate level of written communication are embedded in this level of response]

**Level 2:**

Limited ability to organise relevant material. Some appropriate business terminology used. Sentences are not always relevant with material presented in a way that does not always address the question. There may be noticeable errors of grammar, punctuation and spelling.

[2 marks representing the appropriate level of written communication are embedded in this level of response]

**Level 1:**

Ability to communicate at least one point using some appropriate business terminology. Sentences have limited coherence and structure, often being of doubtful relevance to the main focus of question. Errors of grammar, punctuation and spelling may be noticeable and intrusive.

[1 mark representing the appropriate level of written communication is embedded in this level of response]

Question		Answer	Mark	Guidance
1	(a)	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• harm</li> <li>• hurt/injury</li> </ul> <p>Exemplar responses:</p> <p>E.g. A hazard is something with the capacity to do harm (1) and may be the cause of injury (1).</p> <p>E.g. A hazard is something with the potential to cause harm (1) for example a substance (1).</p>	2	<p><b>AO1: 2</b></p> <p>Up to two marks.</p> <p>No context required.</p> <p>Accept example by way of explanation only.</p>
1	(b)	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• breathing impairment</li> <li>• burns</li> <li>• loss or/impaired hearing</li> <li>• disablement</li> <li>• broken bones</li> <li>• trauma</li> <li>• cuts or abrasions</li> <li>• electric shock</li> <li>• pain or discomfort</li> <li>• RSI</li> <li>• skin complaints</li> <li>• eye damage</li> <li>• death</li> <li>• blindness</li> <li>• pain/discomfort</li> <li>• headaches</li> <li>• financial implications</li> <li>• not meeting deadlines</li> <li>• unstable walls</li> </ul>	9	<p><b>AO1: 3 AO2: 6</b></p> <p>One mark for each correct identification up to a maximum of three identifications, plus up to a further two marks for each of three explanations.</p> <p>Do <b>not</b> accept answers which give consequences of the identification as development points.</p> <p>One mark for condition.</p> <p>One mark for generic explanation of cause.</p> <p>Two marks for contextual explanation of cause.</p> <p>It is <b>not</b> a requirement to have knowledge of house renovation.</p> <p><b>Must</b> be physical conditions.</p> <p>Do not award 'renovating properties' as context as this is the wording of the question.</p>

Question		Answer	Mark	Guidance
		<ul style="list-style-type: none"> <li>• tools and equipment</li> <li>• unstable ceilings</li> <li>• lifting or moving heavy loads</li> <li>• consequences of poor work posture</li> <li>• lack of consideration of ergonomic factors</li> <li>• excessive workloads, shifts and breaks</li> <li>• electrical and gas safety</li> <li>• chemicals and solvents</li> <li>• materials</li> <li>• dust and other airborne particles</li> <li>• noise levels</li> <li>• fire</li> <li>• areas of restricted vision</li> <li>• heights</li> <li>• heating and lighting</li> <li>• untidy or dangerous work areas</li> <li>• poor relationships</li> <li>• a fall in motivation</li> </ul> <p>Exemplar responses:</p> <p>E.g. Broken bones (1) which may arise as a result of heavy bricks falling on a worker (2).</p> <p>E.g. Breathing impairment (1) which may arise as a result of dust and other airborne particles (1).</p>		
1	(c)	(i) Indicative content: <ul style="list-style-type: none"> <li>• new employees appointed (Aanan and Daksh)</li> <li>• introduce new employees to what is involved</li> <li>• enable employees to settle quickly</li> <li>• to maximise output</li> <li>• gain specific skills</li> </ul>	2	<b>AO1: 1 AO2: 1</b> <p>1 mark for a generic explanation.</p> <p>2 marks for a contextual explanation.</p>

Question		Answer	Mark	Guidance
		<ul style="list-style-type: none"> <li>• know the right health and safety laws</li> <li>• minimise risk</li> <li>• avoid legal action</li> <li>• to familiarise new employees with work patterns</li> </ul> <p>E.g. The business has just appointed two new workers who need to be made familiar with the way the business operates (2).</p> <p>E.g. Edgbaston Luxury Lettings needs to ensure employees know relevant health and safety legislation to minimise the risk of an accident happening (1).</p>		
1	(c)	(ii)	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• courses (1)</li> <li>• lecturer/assessor visiting (1)</li> <li>• distance learning (1)</li> <li>• self-study computer-based learning (1)</li> <li>• video (1)</li> </ul>	1 <p><b>AO1: 1</b></p> <p>For one mark.</p>
1	(c)	(iii)	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• expensive</li> <li>• lost productivity</li> <li>• worker is not completing their job</li> <li>• it may take a lot of time</li> <li>• worker may not gain specific skills to the job</li> </ul> <p>Exemplar responses:</p> <p>E.g. Off-the-job training can be relatively expensive (1) as the workers of <i>Edgbaston Luxury Lettings</i> would not be on-site to complete their job (1). This would mean that</p>	6 <p><b>AO1: 2 AO2: 4</b></p> <p>One mark for each correct identification up to a maximum of two identifications, plus a further two marks for each of two explanations.</p>

Question		Answer	Mark	Guidance
		<p>productivity and/or meeting renovation deadlines might not be met (1).</p> <p>E.g. The workers may not gain the specific skills to complete their job effectively (1). This is because the course may cover generic aspects of health and safety laws (1) rather than a worker of <i>Edgbaston Luxury Lettings</i> being able to apply it to the issues surrounding property renovation (1).</p>		
1	(d)	<p>Indicative content:</p> <p>The duty of the employer for:</p> <ul style="list-style-type: none"> <li>• provision and maintenance of plant and equipment</li> <li>• correct use and handling of substances</li> <li>• provision of training</li> <li>• provision of health and safety guidelines</li> <li>• maintenance of a safe working environment</li> <li>• provision of a health and safety policy</li> <li>• health and safety representative</li> <li>• risk assessment</li> </ul> <p>The duty of the employees and/or visitors for:</p> <ul style="list-style-type: none"> <li>• taking reasonable care of themselves and each other</li> <li>• not to recklessly interfere with equipment</li> <li>• abide by the guidelines and policy</li> <li>• report any accidents</li> </ul> <p>Exemplar responses:</p> <p>E.g. Correct handling of substances (1) such as paint stripper in the properties (1).</p>	6	<p><b>AO1: 3 AO2: 3</b></p> <p>One mark for each correct identification up to a maximum of three identifications, plus a further one mark for each of three descriptions.</p> <p>Accept explanations of cause or consequence.</p> <p>Context must be, at least, implied.</p>

Question		Answer	Mark	Guidance
		E.g. Taking care of themselves and each other (1) such as not going into a dangerous part of a property without due caution (1).		
2	(a)	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• lack of relevant training</li> <li>• working in a dangerous environment</li> <li>• ignoring the risks pointed out by Zak</li> <li>• carrying on with their carefree manner</li> <li>• stepping on a rotten floorboard</li> <li>• moving the wardrobe</li> </ul> <p>Exemplar responses:</p> <p>E.g. Aanan and Daksh ignored the risks (1) pointed out by Zak and should not have behaved in such a carefree manner (1).</p> <p>E.g. Lack of relevant training (1).</p>	6	<p><b>AO1: 3 AO2: 3</b></p> <p>One mark for each correct identification up to a maximum of three identifications, plus a further one mark for each of three explanations.</p> <p>Do <b>not</b> award 'risk assessment'.</p>
2	(b)	<p>Use levels of response criteria.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> <li>• regular meetings</li> <li>• research</li> <li>• need to change the workers' duties</li> <li>• need for multi-skills in the workers</li> <li>• whether there is any scope for time delays on projects</li> <li>• hazards are actively sought</li> <li>• employees and employers know where the hazards are to avoid them</li> </ul>	14	<p><b>AO1: 2 AO2: 3 AO3: 4 AO4: 5</b></p> <p><b>Levels of response:</b></p> <p><b>Level 4 (10-14 marks):</b> Candidate evaluates the extent to which contingency planning would have helped <i>Edgbaston Luxury Lettings</i> after the accident.</p> <p><b>Level 3 (6-9 marks):</b> Candidate analyses how contingency planning would have helped <i>Edgbaston Luxury Lettings</i> after the accident.</p>

Question	Answer	Mark	Guidance
	<ul style="list-style-type: none"> <li>outlines courses of action which <i>Edgbaston Luxury Lettings</i> should take</li> <li>would pre-empt the need for a flexible workforce</li> <li>temporary staff availability</li> <li>provides a focus for action</li> <li>reaction time is faster</li> <li>Shefali may not have the time to conduct research/hold regular meetings</li> <li>if done badly, then <i>Edgbaston Luxury Lettings</i> may still suffer</li> <li>cannot always ensure that all 'what-if' scenarios are covered</li> <li>only of use if put into practice</li> <li>may have been out-of-date</li> </ul> <p>Exemplar response:</p> <p>E.g. A contingency plan is important to any business if it is to ensure that it can cope with any sort of eventuality which may occur (<b>L1</b>). In the case of <i>Edgbaston Luxury Lettings</i>, a contingency plan would have outlined the course of action that Shefali needed to take in the event of someone falling through a ceiling and having to take time off, as well as the extra time needed to be taken to mend the hole left (<b>CONT</b>) (<b>L2</b>). This may have been something such as hiring extra temporary staff to replace workers such as Aanan and Daksh until their return to work and concentrating on another room in a renovation in order to meet deadlines (<b>CONT</b>) (<b>L2</b>). In this way it means that <i>Edgbaston Luxury Lettings</i> would have continued its contract and it may have minimised the losses it would have originally made (<b>L3</b>). It may in the long term help <i>Edgbaston Luxury Lettings</i> to deal with any eventuality, however, it is difficult to predict all 'what-if' scenarios and therefore may not be totally fool proof. An effective</p>		<p><b>Level 2 (3-5 marks):</b> Candidate applies knowledge and understanding of how contingency planning would have helped <i>Edgbaston Luxury Lettings</i> after the accident.</p> <p><b>Level 1 (1-2 marks):</b> Candidate identifies how contingency planning would help with no context.</p> <p>Please indicate each time a candidate achieves a particular level as this will help you to allocate marks within the level.</p> <p>Context should be annotated every time L2/L4 is awarded with the 'CONT' annotation.</p> <p>Non-contextual answer <b>max</b> Level 1.</p> <p>L2: Must contain more context than name-dropping, e.g. someone falling through a ceiling, hiring extra temporary staff, renovation, contractors, etc.</p> <p>Do not award arguments relating to stopping the accident from occurring. The question is about after the accident has happened.</p> <p>Award benefits only.</p> <p>'Extent to which' required for L4.</p> <p>Do <b>not</b> award arguments relating to risk assessment.</p>

Question		Answer	Mark	Guidance
		contingency plan depends upon the level and accuracy of the research conducted on renovating properties <b>(CONT)</b> <b>(L4)</b> .		
3	(a)	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• distinct management function/strategy</li> <li>• minimise exposure to negative consequences.</li> </ul> <p>Exemplar responses:</p> <p>E.g. The distinct management function (1) which needs to be integrated into business practices to minimise the exposure to the possible negative consequences of a particular course of action (1).</p> <p>E.g. The distinct management function (1) to be integrated into the business to minimise exposure to negative consequences of an action (1).</p>	2	<p><b>AO1:2</b></p> <p>Up to two marks.</p> <p>Do <b>not</b> award arguments relating to risk assessment e.g. do <b>not</b> award minimise 'risk'.</p>
3	(b)	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• improved industrial relations between employees and employers</li> <li>• fewer accidents</li> <li>• lower absenteeism and sickness rate</li> <li>• compliance with Health and Safety Executive requirements</li> <li>• reduction in long term legal consequences</li> <li>• reduction in long term financial costs</li> <li>• improved reputation</li> <li>• increased employee motivation</li> </ul>	6	<p><b>AO1: 3 AO2: 3</b></p> <p>One mark for each correct identification up to a maximum of three identifications, plus a further one mark for each of three descriptions.</p> <p>Context must be, at least, implicit.</p> <p>Accept descriptions or consequences.</p> <p>Do <b>not</b> award arguments relating to risk assessment.</p>

Question		Answer	Mark	Guidance
		<p>Exemplar responses:</p> <p>E.g. Increased employee motivation (1) meaning the workers may work harder to renovate a property (1).</p> <p>E.g. Lower absenteeism and sickness rate (1) as it is less likely that the workers may fall through something such as a ceiling if they know what they are doing (1).</p>		
3	(c)	<p>Indicative content:</p> <p>It is a requirement that equipment provided for use at work is:</p> <ul style="list-style-type: none"> <li>• suitable for the intended use (1)</li> <li>• safe for use (1)</li> <li>• maintained in a safe condition (1)</li> <li>• inspected/checked(1)</li> <li>• training (1)</li> <li>• accompanied by suitable safety measures (1)</li> </ul> <p>Exemplar responses:</p> <p>E.g. Zak, as the most experienced builder, must ensure that the tools are safe for use (1).</p> <p>E.g. There should be appropriate guards or safety locks on any power tools (1).</p>	3	<p><b>AO1: 3</b></p> <p>One mark for each correct identification up to a maximum of three identifications.</p> <p>No context required.</p>
3	(d)	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• avoid the need for hazardous manual handling, so far as is reasonably practicable</li> <li>• assess the risk of injury from any hazardous manual handling which cannot be avoided</li> </ul>	6	<p><b>AO1: 2 AO2: 4</b></p> <p>One mark for each correct identification up to a maximum of two identifications, plus up to a further two marks for each of two explanations.</p>

Question		Answer	Mark	Guidance
		<ul style="list-style-type: none"> <li>• reduce the risk of injury from hazardous manual handling, so far as is reasonably practicable</li> <li>• follow appropriate systems of work laid down for their safety</li> <li>• make proper use of equipment provided for their safety</li> <li>• co-operate with their employer on health and safety matters</li> <li>• inform the employer if they identify hazardous handling activities</li> <li>• take care to ensure that their activities do not put others at risk</li> <li>• limit activities/slow down workrate</li> <li>• fines</li> <li>• compensation and damages</li> <li>• court action</li> <li>• reputation</li> </ul> <p>Exemplar responses:</p> <p>E.g. employees should make proper use of the lifting equipment provided for them (1) such as using building shoots (1) to throw heavy bricks down to a skip (1).</p> <p>E.g. Employees should inform the employer if they identify hazardous handling activities (1) such as Aanan and Daksh identifying the wardrobe as being hazardous (1) and telling Zak or Shefali before they moved it across the bedroom floor (1).</p>		Response must relate to lifting/manual handling to award marks.
3	(e)*	Use the levels of response criteria. Indicative content: Issues include:	14	<b>AO1: 2 AO2: 3 AO3: 4 AO4: 5</b> QWC is assessed in this question. <b>Levels of response:</b>

Question	Answer	Mark	Guidance
	<ul style="list-style-type: none"> <li>• Aanan and Daksh are employees</li> <li>• Shefali has a duty of care to Aanan and Daksh for their safety</li> <li>• Aanan and Daksh were supervised by Zak</li> <li>• Zak had vaguely explained to Aanan and Daksh about the dangers of the house</li> <li>• Aanan and Daksh had not been told to stay downstairs</li> <li>• Aanan and Daksh worked in a carefree manner</li> <li>• Aanan and Daksh were not trained on health and safety</li> <li>• Aanan and Daksh carried a wardrobe over a floor which was unstable from rot</li> <li>• Zak left the boys upstairs unattended</li> <li>• the renovation had a tight deadline</li> <li>• Shefali had booked health and safety training for Aanan and Daksh</li> </ul> <p>Exemplar response:</p> <p>Eg A 'duty of care' is when everything reasonably practical is done to ensure the health, safety and welfare of employees in the workplace (<b>L1</b>). As the owner of a successful buy-to-let property renovation business, Shefali has a duty of care to Aanan and Daksh (<b>CONT</b>) (<b>L2</b>). She broke her duty of care by not ensuring that the boys were fully trained in the relevant health and safety laws before they carried out the work on the property (<b>L3</b>). Overall, although Shefali is mainly at fault as she broke her duty of care to her nephews for not training them adequately to carry out their job safely, Aanan and Daksh are partly to blame as they did not ensure their own safety, by ignoring the risks involved in renovating (<b>CONT</b>) and working in a carefree manner (<b>L4</b>).</p>		<p><b>Level 4 (10-14 marks):</b> Candidate evaluates the extent to which Shefali is responsible for the injuries sustained by Aanan and Daksh.</p> <p><b>Level 3 (6-9 marks):</b> Candidate analyses reasons for and against Shefali being responsible for the injuries sustained by Aanan and Daksh.</p> <p><b>Level 2 (3-5 marks):</b> Candidate applies knowledge and understanding of whether Shefali is responsible for the injuries sustained by Aanan and Daksh.</p> <p><b>Level 1 (1-2 marks):</b> Candidate identifies issues surrounding 'duty of care' with no context.</p> <p>Please indicate each time a candidate achieves a particular level as this will help you to allocate marks within the level.</p> <p>Context should be annotated every time L2/L4 is awarded with the 'CONT' annotation.</p> <p>Non-contextual answer <b>max</b> Level 1.</p> <p>L2: Must contain more context than name-dropping e.g. training on renovation project, business was busy, dangers from rot in the house, moving heavy furniture, property, contractors etc.</p> <p>'Extent' required for more than 10 marks.</p>

Question		Answer	Mark	Guidance
4	(a)	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>strike (1)</li> <li>go-slow (1)</li> <li>sit-in/work-in (1)</li> <li>work-to-rule (1)</li> <li>overtime ban (1)</li> </ul>	3	<p><b>AO1: 3</b></p> <p>One mark for each correct identification up to a maximum of three identifications.</p>
4	(b)	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>increased absenteeism</li> <li>a fall in motivation and production levels</li> <li>industrial action</li> <li>loss of profits</li> <li>difficulty entering the market</li> <li>poor reputation</li> <li>difficulty recruiting</li> <li>difficulty forming contracts with suppliers/ customers</li> </ul> <p>Exemplar responses:</p> <p>E.g. Poor industrial relations could lead to a fall in motivation levels (1) this may lead to a fall in production levels (1) and lead to lower profits (1).</p> <p>E.g. Difficulty entering the market (1) leading to fewer customers (1) and less income (1).</p>	6	<p><b>AO1: 2 AO2: 4</b></p> <p>One mark for each correct identification up to a maximum of two identifications, plus up to a further two marks for each of two explanations.</p> <p>Do <b>not</b> award for repetition.</p> <p>Award consequences.</p>
4	(c)	<p>Use the levels of response criteria.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> <li>expansion possibilities</li> <li>likelihood of larger profits</li> </ul>	14	<p><b>AO1: 2 AO2: 3 AO3: 4 AO4: 5</b></p> <p><b>Levels of response:</b></p> <p><b>Level 4 (10-14 marks):</b> Candidate evaluates the extent to which a move into a new market could be an effective strategic change.</p>

Question	Answer	Mark	Guidance
	<ul style="list-style-type: none"> <li>• access to a new market</li> <li>• possibility to improve industrial relations as jobs more secure</li> <li>• access to more resources</li> <li>• recruit more workers</li> <li>• current working relations</li> <li>• lack of knowledge of the market</li> <li>• motivation</li> <li>• industrial action</li> <li>• reputation/quality</li> <li>• potential loss of buy-to-let contracts</li> <li>• recruit more workers</li> <li>• extra training possibilities</li> <li>• risk of losing business/livelihood/unlimited liability</li> <li>• available finance</li> <li>• risk of legal action</li> </ul> <p>Exemplar responses:</p> <p>Eg An expansion into a new market would mean that workers and conditions of employment would be a new experience for the business <b>(L1)</b>. Although Shefali has had experience running a successful business in the buy-to-let market, she has limited experience in the construction market <b>(CONT) (L2)</b>. There is also the concern of a threat of legal action from her sister for the accident sustained by Aanan and Daksh and the discontentment and threat of industrial action by the workers for the way in which they feel Shefali has treated them <b>(CONT) (L2)</b>. She may, therefore, have to spend more time and money researching the market, forming contacts with new customers and suppliers and recruiting and training new workers, something the business may not have <b>(L3)</b>. However, she had been saving in order to</p>		<p><b>Level 3 (6-9 marks):</b> Candidate analyses the benefit(s) and/or drawback(s) to <i>Edgbaston Luxury lettings</i> of entering the housing construction market.</p> <p><b>Level 2 (3-5 marks):</b> Candidate applies knowledge and understanding of <i>Edgbaston Luxury lettings</i> entering the housing construction market.</p> <p><b>Level 1 (1-2 marks):</b> Candidate identifies issues about entering a new market with no context.</p> <p>Please indicate each time a candidate achieves a particular level as this will help you to allocate marks within the level.</p> <p>Context should be annotated every time L2/L4 is awarded with the 'CONT' annotation.</p> <p>Non-contextual answer <b>max</b> Level 1.</p> <p>L2: Must contain more context than name-dropping e.g. buy-to-let, construction market, legal action, industrial action, etc.</p> <p>'Extent' required for more than 10 marks.</p>

Question		Answer	Mark	Guidance
		<p>cover the costs of the potential legal action and the move into the market <b>(L3)</b>. Yet, in the long term, despite the steps Shefali has made towards covering the potential threats of legal and industrial action, such a move may only prove marginally better for <i>Edgbaston Luxury Lettings</i>' profits, as she may have significantly underestimated the costs of such a move and the size of incumbent construction businesses <b>(CONT)</b> in the market and the level of market share they have. These factors may significantly reduce the returns such a move may provide <b>(L4)</b>.</p> <p>E.g. An expansion into any new market will affect any business' profits <b>(L1)</b>. Shefali has expressed an interest in the construction market but due to the threat of both legal action from her sister and industrial action from her ever-increasingly disgruntled workers, it will not be without its risks as far as improving <i>Edgbaston Luxury Lettings</i>' profits is concerned <b>(CONT) (L2)</b>. Furthermore, although Shefali has set aside some money for the possible expansion, it is not known how much and whether it would be enough for such a move <b>(L2)</b>. It is likely that there will be some significant initial costs involved, such as recruitment and training of new workers, research into the new market, advertising to establish the business and, form contracts in the light of initial competition <b>(L3)</b>. What is more, Shefali has not done research to find out how big the competitors would be. If they are large, the business may struggle to establish itself <b>(L3)</b>. Yet, it could really improve the profitability of <i>Edgbaston Luxury Lettings</i>, as there is opportunity to grow in a lucrative market if successful <b>(L3)</b>. Despite this, Shefali needs to be mindful of the current situation with her workers, if she takes on more workers, they may be resentful and if she does not, they may end up working harder than they already are</p>		

Question		Answer	Mark	Guidance
		<p><b>(L3).</b> Either way, this could negatively affect the business' profits <b>(L3).</b> In the long term, this expansion could be too risky and may only marginally improve the profitability of the business. If a move into the construction market <b>(CONT)</b> is to significantly improve profits, Shefali will have to do more to combat the issues of legal and industrial action in the short term and spend more money on research into the market for the long term <b>(L4).</b> Either way, it may cost too much and with unlimited liability, Shefali may not have enough to spend and may stand to lose everything <b>(L4).</b></p>		

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