

(A)

Training staff / staff development

Mike can use on-the-job and off-the-job training to upskill staff. If staff gain valuable skills from training, they will be more capable of adapting to change.

“ Employees were given training in the new systems, contact tracing and new health and safety guidelines.”

Encourage staff suggestions/Employee empowerment

If staff have the ability to make decisions and come up with their own ideas, they will be more motivated to work and as a result, change is more likely to be successful.

“At a meeting, the employees recommended reducing the menu and also suggested creating new take-away hatches at the business premises.”

Teamwork

Using a matrix structure and having employees work in teams improves ideas, increases motivation and morale. Thus, productivity will increase which helps boost the chances of success for the changes being adopted.

“A small team was established to work on this project.”

Communicate with staff

Management should be open and honest about the need for and motivation of the changes. This will explain the benefits of the changes and will help reduce uncertainty and tension among employees.

“Initially the employees were apprehensive and weary about the changes”

(B)

Organic Growth

A business can attempt to increase sales by using its own products, brands, staff and ideas. It can be achieved by opening more stores, running advertising campaigns or exporting to new markets. It is a natural form of expansion.

“and has expanded by opening new restaurants in Cork and Waterford.”

Evaluation: In my opinion, Mike receives the benefit of not losing any control of the business's decisions and he gets to keep the profits. However, it is a slow form of expansion compared to, for example, a merger.

Franchising

Mike could attempt to get a franchisee to pay him a fee and a percentage of profits/turnover. In exchange they could set up an exact replica of the business using the business idea, Mike's pizza's branding and logos.

“ He chose two franchisees to open new restaurants in Galway and Kildare under a franchise business model.”

Evaluation: In my opinion, Mike's pizza will benefit greatly from franchising. It is a quick form of expansion that requires a low capital investment and the business can benefit from economies of scale. However, Mike will have to provide training to the franchisees and there is a risk that if a franchisee's standards are poor, the entire brand's image may suffer.

(C) (i)**Employees**

Mike should treat all his staff fairly and not discriminate against them in pay, promotion or otherwise in accordance with employment law. He should also pay them at least the minimum wage and provide safe working conditions, such as adequate temperatures.

“Whilst many competitors in the industry experienced staff shortages, ‘Mike’s Pizza’ has attracted and retained a loyal, enthusiastic team of staff.”

Customers

Mike should not mislead or lie to consumers when advertising. He should also make pizzas that are of merchantable quality as described under the Sale of goods and supply of services act. He should also ensure all pizzas are made to all required health and safety standards using local produce where possible.

“Mike also runs competitions on social media to reward his customers who like and share his content.”

Suppliers

Mike should not lie to his creditors and he should pay his debts on time and in full.

“Mike also insisted on sourcing high quality suppliers.”

Investors/Shareholders

Mike should pay a fair dividend to investors and provide a proper set so to provide a true and fair view of the financial performance of Mike’s Pizza.

“Building relationships has also been vital to funding expansion.” “Mike maintained open and regular communications with his investors.”

(ii)**Reduced staff turnover/easier recruitment**

Due to treating his employees in a socially responsible manner, Mike will not suffer from labour shortages which will help maintain the consistent high quality of his pizzas.

Increased Investment from shareholders

Shareholders want to invest in businesses like Mike’s pizza as by acting social responsibly, they say a fair dividend and have a good public image.

(A) (i)

A trade union is an interest group of employees from a given profession that aim to protect and improve pay and conditions for their members. They do this through negotiation with and lobbying decision makers.

(ii)

Consumers may suffer a loss of a good or service they normally consume. E.g. In a bus drivers' strike, people who usually take the bus need to make alternative arrangements.

Employees won't get paid for days of work missed. E.g. When the ASTI went on strike, it's members didn't receive pay for the days on strike.

Suppliers would have a reduction in the value of goods ordered from them. E.g. If Tesco employees went on strike, Barry's tea may sell less stock as Tesco stores aren't open for consumers to buy Barry's tea bags.

Dividends/share price will potentially decrease for Investors due to decreased profitability during industrial action. E.g. Amazon's share price fell when employees threatened to engage in a lightning strike.

The government will receive less tax revenue from PAYE and VAT when a business is on strike.

(B)**Meet and talk**

A worker and management can sit down and discuss the matter. Open communication from both sides may allow them to see each other's point of view, leading to a resolution.

Negotiation

A worker may ask for an incentive (e.g. a bonus) in order to take increased workload. Both sides may sacrifice something and compromise to reach a resolution.

Conciliation

A manager and a worker may ask an unbiased 3rd party to sit in a meeting and facilitate so both sides get heard. They would not offer a resolution/decision. They would encourage both parties to listen and resolve it themselves.

Mediation

A third party becomes involved and tries to open communication between the parties involved in the conflict.

Arbitration

An independent third party can listen to both sides of the dispute and then make a recommendation. Normally the parties agree in advance to accept the recommendation. Arbitration can be binding or non-binding.

(C) (i)

When the employer treats an employee/group of employees less favourably than another employee has been, is being or would be treated in a similar situation.

(ii)

Race, gender, sexual orientation, marital status, membership of the traveller community, age

(iii)

Mediation

The WRC initially can meet the parties and try to encourage them to reach an agreement on the matter. Mediation is an attempt to get agreement between the parties. At the end of mediation both sides sign an agreement which is legally binding (when registered with the labour court as a collective agreement) so that both sides must keep to the terms of the decision.

The WRC can also investigate a case of discrimination by appointing an Equality Mediation Officers who deal with the case in a conciliatory manner. Equality Mediator, who facilitates both parties to reach a mutually acceptable agreement.

Adjudication:

If they do not reach an agreement through mediation parties can request that their case be brought to investigation by an adjudication officer. The adjudication officer hears a case and makes a legally binding decision on the dispute.

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(A)

Limited Liability

The shareholders of a private limited company have limited liability. This means that the shareholders are not personally liable and can only lose the amount of their original investment, if the business goes bankrupt.

Easier to raise capital

A private limited company can sell shares up to a maximum of 149 shareholders, which is considerably more than the 20 partners in a partnership.

Separate legal entity

The start-up business is incorporated and is a separate legal identity in the eyes of the law, meaning that it can sue or be sued in its own name and enter business contracts.

Continuity of existence

The company is legally independent of its owners and therefore it can continue to operate even after the death of a shareholder.

Taxation

As a company, Corporation Tax of 12.5% is paid on profits. This is lower than income tax that would be paid for a self-employed individual (sole trader). This means that a higher proportion of profits are available after taxation for ploughing back into the business or paying to shareholders as a dividend.

Evaluation: In my opinion, a private limited company is a much better start-up option for a business than a sole trader or partnership. This is because... [insert one of the points from above].

(B)

Government Support for the Labour Force during Covid 19

Government supports such as TWSS helped maintain staffing levels and reduced wage costs during the pandemic. Braw could have applied to these government assistance programmes during the covid 19 pandemic.

Increase capital expenditure

The government could increase capital expenditure on infrastructure, schools, hospitals etc. This will create jobs and consumer demand and thus increase business sales. As a result, sales for businesses like Braw chocolate will increase when there is high employment levels locally.

Taxation

By creating a low tax environment for business like Braw, entrepreneurs are encouraged to establish business as they can retain a large proportion of profits to reinvest into the business so it can grow.

Increased funding for local enterprise offices

Braw could have applied to the LEO's for a Covid-restart grant or business expansion grant following the pandemic. This would have allowed them to buy new machines/higher new staff to help them increase their operations following the pandemic.

Increased current expenditure on public sector wages/social welfare

The government could negotiate pay rises for public sector workers and increases social welfare payments. This would increase the purchasing power of the population and thus increases sales for businesses in the services industry such as Braw Chocolate.

(C) (i)

The primary sector uses all natural resources from nature. It includes industries such as agriculture, mining, fishing and farming.

The tertiary sector refers to the services industry. It is the largest sector in Ireland and consists of industries such as financial services, medical services, transport services and tourism.

(ii)**Value Added Tax**

The rate of Value Added Tax in the tourism and hospitality sector was reduced to 9.5%. This improved competitiveness for the Irish tourism industry.

E-commerce

The growth of e-business/online selling is changing the dynamic of the services sector. Retailers such as Tesco and Next have increased their online presence to increase market share.

Labour shortages in tourism and hospitality

Due to long working hours and low pay, job vacancies have increased in restaurants, hotels and other businesses in this sector.

Access to technology

Poor access to broadband especially in rural areas has led to fewer consumers adapting to and using e-commerce.

Increased Inflation

Supply chain shortages and increased energy prices are pushing up cost of production in the tertiary sector, leading to firms being less competitive and reducing profits

(A)

Global Product

A business which intends to sell a product globally aims to sell a standardised product which appeals to most consumers. However, branding, packaging or some elements may have to be adapted to suit a local market.

Global Price

A global firm aims to sell their product/service for the same price to consumers around the world. However, before setting prices, they must consider the cost of living, taxation, exchange rates, distribution costs and local competitors in each country.

Global Place

A business will need to vary distribution channels around the world. They may sell directly online to consumers, use an agent to sell on its behalf in return for commission or establishing a manufacturing plant abroad and sell through local retailers.

Global Promotion

A global firms attempts to use the same promotion methods worldwide. This lowers costs but some minor changes may be required in some regions, for example different ads for different languages.

(B) (i)

An indigenous firm is a business that was established by Irish residents and operates primarily in Ireland. E.G. Dunnes stores was set up by an Irish family and operates, for the most part, in Ireland.

(ii)**Increased Sales in Emerging Markets**

Irish business can export to new and emerging markets in Asia, South America and Africa. As income levels rise in these new markets the demand for Irish products may increase.

Reduced costs through Economies of scale

Exporting can lead to indigenous firms achieving economies of scale due to 'bulk buying' raw materials in larger quantities. This in turn can increase profitability as the cost per unit of producing the product decreases.

Diversification

An indigenous firm is less reliant on their domestic market as if there is a slowdown in the domestic economy, they can still be profitable abroad.

(c)

European Commission:

The European Commission is responsible for proposing/drafting all new EU laws for discussion.

It is comprised 27 Commissioners from each member state.

If laws are passed, the Commission is responsible for ensuring the law is implemented across member states through directives, decisions or regulations.

European Parliament:

Members of the European Parliament (MEPs) are directly elected from all member states by EU citizens. They represent citizen's interest in EU law making.

The MEPs discuss and debate all new legislation proposed by the European Commission.

The Parliament puts forward amendments to legislation proposed by the Commission before it will be passed.

A co-decision occurs when all parties (the council, parliament and commission) agree on new proposals.

(A)

1. Price display regulations.

The Act provides that prices of certain products must be displayed inclusive of charges, fees and taxes.

They need to be displayed in this format so that consumers can make informed decisions.

E.g. food prices also show a price per kg for easy comparison of competitors products at varying sizes.

2. Providing misleading, false or inaccurate information.

A business can't mislead consumers by making false claims about the ingredients, benefits or origin of the product. The act also prohibits businesses from engaging in aggressive practices such as harassment, coercion, or exercising undue influence in order to get a consumer to buy a product.

E.g. A salmon caught in Scotland cannot have an Irish flag displayed on its packaging as this misleads the consumer as to where the fish was caught

3. Enforcement of the act.

Firms can be fined or ordered to remove or amend claims about a product. The CCPC can issue compliance notices for businesses to do this. If they don't comply, the CCPC can issue on-the-spot fines. The CCPC can also name-and-shame businesses that breach the provisions of the act publicly.

(B) (i)

The Office of the Ombudsman.

The Ombudsman can investigate consumers complaints from dealing with a public services such as a government department, HSE or An Post. The Ombudsman will only investigate a claim if all other procedural routes have been exhausted. (They are a method of last resort).

They can also investigate a decision that may be unfair, delayed or wasn't explained properly. However, the Ombudsman can only make recommendations. Their decisions are not legally binding.

(ii)

Small Claims Court

The small claims court is a method of resolving unresolved consumer conflict. The consumer does not require a solicitor and it is low cost, as only a €25 fee must be paid. The consumer can receive up to €2000 compensation. The retailer has 2 weeks to respond to the claim and if not, the case is referred to the district court.

(c)

Sue for Damages/ Financial Compensation

The Judge can order the party that broke a condition of a contract to pay compensation for any losses incurred by the injured party due to the breach.

Specific Performance

A judge can order one/both party to fulfil their contractual obligations and complete the original contract.

Rescind the Contract

A Judge may cancel the contract in its entirety. Both parties in the contract return to their initial starting position as before the contract was made.

(A)

Democratic Leadership Style

M6 Motors could consult staff when making decisions. This helps them feel included and increases staff motivation. This in turn, increases productivity as motivated staff work harder. Staff will feel trusted and this will empower them to make their own decisions and come up with their own ideas, creating a culture of intrapreneurship.

Evaluation: I think Alan could use democratic leadership to prioritise by delegating less important tasks to employees while he can focus on the long term goal of employees.

Autocratic leadership Style

M6 Motors may use this leadership style when there is an emergent in the store. The leader gives instructions to subordinates and expects them to be carried out. They also make decision without consulting staff, leading to little room for employee innovation.

Evaluation: I think Alan should not use this leadership style. By not allowing staff to make their own decisions, they may become unmotivated and this leads to high labour turnover.

Laissez faire (Free reign) Leadership

M6 Motors could use this leadership style with very highly skilled employees, such as middle managers. Management takes a hands off approach and allows staff to make their own decisions and there is no requirement for central coordination.

Evaluation: I think Alan should be careful when using this leadership style. If no supervision is given, some employees may take risk that they normally wouldn't have, perhaps jeopardising the business.

(B)

Stock Control

A business needs to control its stock to ensure it has optimum stock levels to meet customer demand at all times.

Too much stock will lead to higher storage, security and storage costs and increase the chance of theft

Too little stock can lead to lost sales, reduces customer loyalty and result in brand damage.

Quality Control

The aim of quality control is to ensure that all products reach a specific standard set by the business.

It can involve having a quality circle that does regular physical inspections and sampling.

A business can also apply for Quality awards such as Q mark or ISO9000.

By having consistent high standards, a business will have greater customer satisfaction.

(C) (i)

Employees within a business being innovative and enterprising. They come up with new ideas, processes or methods.

(ii)

Provide resources to staff

A business should make resources (time, money and technology) available to help employees to pursue their ideas. E.g. Google offers staff 20% of their time to work on ideas.

Offer staff rewards for idea creation

A business could give bonuses to staff that offer the best ideas. They could also offer profit sharing schemes for successful ventures.

Arrange staff into teams

A business could arrange into a matrix structure and through brainstorming, they will collectively improve ideas together. Staff may feel more confident to suggest ideas in a group than individually.

(A) (i)**HR Planning/Manpower Planning**

This involves having the right people with the right skills in the right place at the right time throughout the business. It involves doing a human resource audit and estimating future human resource needs.

Recruitment/Selection

Recruitment and selection is concerned with finding or attracting the best potential candidates with the appropriate skills and then picking the most suitable candidates for employment. This involves drafting a job description and person specification and conducting interviews.

Training/ Staff Development

Training is concerned with improving the employees' ability to perform their job in an effective manner. This can be done through induction, on-the-job and off-the-job training.

Staff Development is a long term approach taken with existing employees that encourages them to take on new responsibilities and greater challenges in the workplace. It helps employees self-actualise.

Performance Appraisal

This is the process of evaluating the performances, progress, contribution and effectiveness of an employee. It ensures high performance standards in the business. It provides for two-way communication and feedback is provided for employees on performance and targets are set.

Rewarding

Rewarding employees is concerned with offering employees monetary and or non-monetary rewards for work well done. Rewards offered by the HR department may include wages, salaries, bonuses and a benefit-in-kind.

Managing Industrial Relations

The HR department aims to promote and maintain positive industrial relations in the organisation. They maintain open communications with staff and develop grievance procedures. They also ensure relations between management and employees are friendly by arranging workplace social events.

(ii)

Pay & Rewards

Due to working from home, businesses have had to invest in new work systems to facilitate remote working. Staff must be provided with necessary equipment and must be compensated for increased utility charges such as electricity.

Training & Development

Due to working from home, it is now much more difficult to engage in staff training. Training was primarily done remotely and this may cause difficulty or confusion for staff that are not physically present for training courses.

(B) (i)

It is a planned approach to handling the risks a business is exposed to. It involves identifying and analysing these risks and taking measures to minimise their impacts.

(ii)

Insurance

A business can take out an insurance policy whereby if an event occurs, the insurance company will return any loss suffered. The business must pay an insurance premium to cover this risk.

Install Security systems

A business could introduce CCTV cameras etc. which will lower the risk of staff or burglars stealing items.

Offer training to staff

Regular training and upskilling of staff will leave them more prepared for an emergency. Providing safety equipment and protective clothing will also help to reduce risk of accidents

Introduce safety drills/procedures

Adequate signage and practicing of procedures (e.g. monthly fire drills, first aid courses), will reduce the risks of a fire occurring/ an individual dying.

Appoint Health and Safety representatives in the work force.

A business could hire an individual to which all staff report safety issues to. They would also carry out regular safety inspections/audits.

(C)

Corporation Tax

Certain business, limited companies, must pay 12.5% corporation tax to revenue on their profits whereas households do not pay corporation tax.

PAYE

Households pay PAYE on their income if they are employees or self- employed. The PAYE is collected at source by the employer at rates of 20/40%.

Businesses collect and deduct PAYE from the employee's gross wages and send the money to revenue.

Capital Gains Tax

Both households and business are liable to pay Capital Gains Tax on any profit made from the sale of the asset. It is charged at a rate of 33% however households have an exception when selling their primary residence.

Local Property Tax (LPT)

Households pay the LPT. It is a self-assessed tax charged on the market value of residential properties in the State.

Businesses/commercial properties do not pay LPT, they instead pay commercial rates.

(A) (i)

Debt/Equity Ratio compares the proportion of capital acquired through long-term loans with the proportion raised through retained earnings and issued share capital. It analyses the capital structure of the business.

(ii)

Formula: Debt Capital : Equity Capital
(Long-term Loan) : (Issued Share Capital + Reserves)

2021

€150,000 : €460,000 + €140,000

€150,000 : €600,000

0.25 : 1

2020

€ 250,000 : €300,000 + €120,000

€ 250,000 : €420,000

0.6 : 1

(iii)

The Debt/Equity Ratio for The Cleaning Crew of 0.25: 1 shows that the business is low geared. The gearing ratio improved from 0.6:1 in 2020 to 0.25:1 in 2021.

Financial institutions would look favourably on any application for finance as they are in such a good position. This means they would have no difficulty obtaining a loan if they required one.

(B)

The business must match the purpose of the finance to the type of finance. Short terms needs such as paying suppliers or paying wages should be not be financed using a mortgage.

A business must consider the cost (APR) associated with the different finance options. An overdraft may have a higher cost associated with it than trade credit/Equity capital has no interest costs whereas debt capital does have interest costs.

A business should consider if the source of finance requires security. Long term loans such as debentures will require security be held against the loan which will be repossessed if the loan isn't repaid.

The business will have to consider the tax implications of the source of finance. Certain sources, such as interest repayments, will be tax deductible thus decreasing the amount of tax paid to Revenue. In contrast to this, dividends are not tax deductible.

A business will have to consider the control/ownership of the business. Issuing shares in a business means an owner is handing decision making power to investors, where a debenture would not require this.

(c)

To Establish Size/Potential of the Market:

A Business may undertake market research to identify the size of the market and the possible percentage of the market that they could target.

To establish a price point

Market research helps to identify costs involved in production, profit margins available and most suitable price to be charged based on target markets ability/willingness to pay

To identify competitors

A business can identify other businesses in the market through market research. This helps the business make decisions about USP, pricing, promotional strategy etc.

To access finance

A business who intends to apply for finance from investors, financial institutions or Government agencies must engage in market research to show that the business will be viable and can be profitable

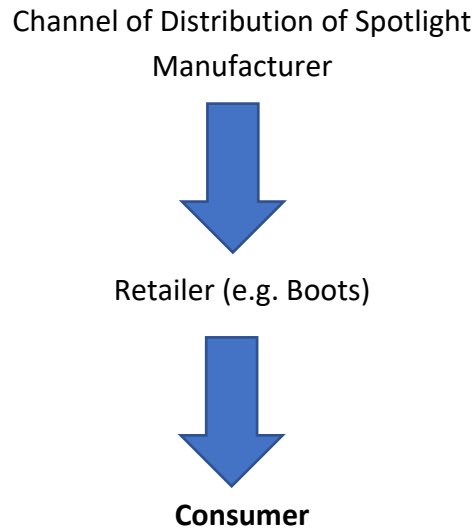
To Identify more opportunities

By engaging with potential customers and monitoring trends, this can help businesses make decisions about future products which will help to boost sales.

(A) (i)

The channel of distribution refers to the stages of how a business/manufacturer gets their product to a consumer.

(ii)



(iii)

Increased sales/reach a wider audience

When a business chooses to distribute their product via retailers, the business will reach more potential consumers in person and as a result, they may be more inclined to purchase the product.

Lower Profit margin per unit

The business would retain more of the selling price if selling direct to consumers as there are no intermediaries who are trying to take a profit margin. However, in the long term, the use of retailers may increase profitability due to economies of scale.

Economies of scale

If a manufacturer uses a retailer who has a large number of branches, production of the products will have to increase as this in turns leads to bulk buying of raw materials so the cost per unit decreases on each product. This increases profitability and competitiveness.

(B)

Functionality

A business must consider how the product will be used and ensure it function correctly, with consumers not having difficulty using it.

Cost of Production

Businesses must take into account the materials, equipment and labour costs when designing a Product. They must also ensure that they have adequate profit margins for each product.

Competitors

A business must consider how their product compares to their competitors. They have to make sure that their product has a USP which stands out favourably compared to competitors and that its products are patented.

Legal Requirements

A business must ensure all products satisfy consumer laws, such as The Sale of Goods & Supply Of Services Act 1980 and any other legislation passed by the government or EU.

(C)

Persuasive advertising

This advertising attempts to persuade the consumer that they need the product and that it is essential to happiness and bring value to the consumers life

E.g. Nike use Cristiano Ronaldo as an ambassador to convince their customers that if they buy their shoes, they will perform like Ronaldo.

Informative advertising

Informative advertising conveys facts or data for the purposes of educating an audience, rather than increasing sales revenue.

E.g. Covid-19 advertising from the Department of Health

Generic advertising

Generic advertising attempts to convey the importance of one particular type of good, usually within an industry, instead of a particular brand.

E.g. The National dairy council advertising the benefits of drinking milk.

Competitive/Comparative advertising

The brand or product is advertised as superior to those of competitors based on the price/quality of the products.

E.g. Tesco showing lower prices than SuperValu on bus stops.