



Worksheet 6: Two-sided argument answers

- 1 A clothing brand outsources its production to Bangladesh.

First side of the argument – advantage	Second side of the argument – disadvantage
<i>Bangladesh has a wealth of skilled labour and cheaper wages, resulting in lower production costs. The clothing brand can keep their prices high while being cost-effective.</i>	<i>There could be logistical delays. When working out the production schedule the business must allow shipping time (could be several weeks) and also be prepared for production getting delayed or goods stuck in customs.</i>

- 2 Local newspapers were used as the main method of advertising.

First side of the argument – advantage	Second side of the argument – disadvantage
<i>Often published weekly so may be kept for reference so the reader can refer back with the advert being able to be seen again by all members of a household.</i>	<i>It can be hard to measure effectiveness, as readership figures don't tell you how many people really see your advert, and response rates can be low with many people throwing the paper away.</i>

- 3 A consumer decides to use hire purchase to purchase a car.

First side of the argument – advantage	Second side of the argument – disadvantage
<i>Most consumers don't have a lump sum of cash available to pay for a car outright. Even if they do, it's reasonable to want to keep their savings for an emergency. Hire purchase solves this problem by spreading a large payment into more manageable pieces. This way, it makes a car purchase much more affordable.</i>	<i>If the consumer fails to make the hire purchase payments in time, the car can be easily taken away and repossessed. So, they are exposing themselves to risk, as they may suddenly end up without a car and have no equity.</i>

- 4 An entrepreneur decides to purchase a franchise.

First side of the argument – advantage	Second side of the argument – disadvantage
<i>It is possible for someone with no previous experience in business to purchase a franchise to achieve success because more often than not the established brand name provides an instant customer base which reduces risk for the entrepreneur.</i>	<i>Some franchisors exert a level of control that you may find too restricting. Franchisees often have restrictions on where they can sell their products or services, as well as requirements on the suppliers to be used or operating hours so the entrepreneur is not able to run the business as they would wish, and entrepreneurial skills are not used.</i>