



Worksheet 5: Who is the focus? answers

- 1 Analyse two advantages to the owners of T Limited for the introduction of a JIT (Just In Time) system for inventory management for raw materials.

Many learners will analyse the effects on the inventory without analysing the effects on the owners.

- 2 Analyse one internal source of finance and one external source of finance that Sergio could use to repay the overdraft within the next three months.

Some learners might be tempted to analyse the effects of overdraft on the business rather than the internal and external source of finance to repay the overdraft.

- 3 Analyse two factors which the directors should consider when offering cash discount to credit customers.

Few learners may be tempted to analyse the effects of cash discount on credit customers rather than the business.

- 4 Analyse two likely effects on the office employees if a computerised accounting package is purchased to maintain all the financial records.

Many learners will analyse the effects on the business without analysing the effects on the office employees.

- 5 Analyse two factors which Bob should consider when increasing the selling price.

Few learners may analyse the effects on the other stakeholders(customers/competitors) rather than the effects on Bob's business.

- 6 Analyse two advantages of the decision of the directors of M Limited to purchase the partnership.

Some learners might be tempted to analyse the advantages of partnership rather than advantages of a larger business/one business after purchase of partnership by a limited company.



- 7 Analyse one advantage and one disadvantage for each partner, Alice and Babak, operating as a partnership.

Some learners might analyse the advantages and disadvantages of partnership in general, but the question is clearly focussed on Alice and Babak.

- 8 Analyse two disadvantages for the owners of increasing the hourly rate for the factory workers.

When a question mentions two stakeholder groups, some learners often mis-focus their analysis, in this case on the factory workers.