



**BUSINESS AND MANAGEMENT  
STANDARD LEVEL  
PAPER 1**

Monday 5 May 2008 (afternoon)

1 hour 30 minutes

---

**INSTRUCTIONS TO CANDIDATES**

- Do not turn over this examination paper until instructed to do so.
- Read the case study carefully and then answer all the questions.

1. (a) Describe **two** advantages and **two** disadvantages to *Organix* of “converting from a partnership to a limited company” (*line 155*). [8 marks]
- (b) Evaluate **one** possible source of finance available to *Organix* to fund the construction of the holiday cottages and **one** source of finance for their day-to-day operations. [8 marks]
2. (a) Define the term *high staff turnover*. [2 marks]
- (b) Explain **two** consequences of a high staff turnover at *Organix*. [6 marks]
- (c) Analyse possible non-monetary approaches available to Alison Moldano, Human Resource Manager, to reduce the high staff turnover in the restaurant. [8 marks]
3. (a) (i) Define the term *branding*. [2 marks]
- (ii) Explain **one** advantage and **one** disadvantage for *Organix* of marketing all its products under a single brand. [4 marks]
- (b) Analyse primary **and** secondary sources of market research that *Organix* can use to gather additional information on people’s attitudes toward organic produce. [8 marks]
4. (a) Prepare a SWOT analysis for *Organix*. [6 marks]
- (b) Using your SWOT analysis, discuss the options available to Max and Terry as they consider the farm’s future. [8 marks]
-