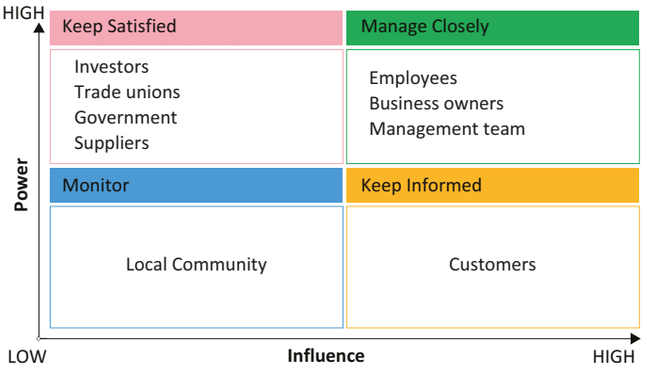
Leaving Certificate Business Educate.ie Sample Paper D Higher Level Solutions

Question 1 **The Business World** **(90 marks)**

(a) **(i)** (**Please note:** The SEC has not provided guidance on how this analytical tool will be assessed.)



(ii) (Any **two**)

Open and transparent communication

- **Avoidance:** regularly inform employees and trade unions about changes, timelines and expectations to reduce uncertainty and rumours.
- **Resolution:** use town hall meetings or digital updates to clarify decisions and explain the rationale behind redundancies or restructures.

Stakeholder involvement in decision-making

- **Avoidance:** include employee representatives or union members in strategic planning committees related to the merger.
- **Resolution:** co-develop solutions, such as voluntary redundancy packages or redeployment opportunities, to resolve disputes.

Effective HR and mediation services

- **Avoidance:** implement clear grievance procedures and an open-door policy to raise concerns early.
- **Resolution:** use trained HR mediators or third-party facilitators to resolve disputes between staff and management, particularly where culture clash or retraining resistance arises.

Fair and transparent redundancy processes

- **Avoidance:** apply fair selection criteria (e.g. last-in-first-out or skills audit) and communicate these clearly to staff.
- **Resolution:** offer appeals or review panels if employees feel the process was unfair or inconsistent.

Comprehensive change management training

- **Avoidance:** provide both leadership and staff with training on managing change and working in diverse, merged teams.
- **Resolution:** rebuild trust through team-building activities, mentoring or structured feedback sessions.

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Customer relationship management

- **Avoidance:** reassure customers with continuity plans to avoid conflict over disrupted services or supply chain issues.
- **Resolution:** address customer complaints swiftly, offering clear responses or temporary compensation where service has declined.

(b) (Any **three**)

- **Lower morale:** employee morale may fall due to uncertainty, lack of communication or feeling overlooked during the merger, leading to disengagement and reduced job satisfaction across teams.
- **Resistance to change:** staff, particularly from the less tech-focused company, may resist new digital systems or work practices, slowing down integration efforts and delaying efficiency gains.
- **Reduced productivity:** conflict between newly formed teams with different working styles can cause confusion, miscommunication and poor collaboration, directly impacting output and performance.
- **Increased staff turnover:** ongoing conflict may push employees to resign or lead to dismissals, increasing HR costs and disrupting continuity through the loss of experienced workers.
- **Damaged workplace culture:** a divided culture may develop where old company loyalties remain strong, undermining team cohesion, innovation and trust in leadership.
- **Legal or industrial disputes:** if employees feel unfairly treated, particularly in redundancies or role changes, this may result in legal claims, union intervention or strike action, damaging the company's reputation.
- **Reduced innovation and creativity:** when employees are in conflict or feel threatened by organisational change, they may be less likely to contribute ideas or take initiative, reducing ForgeTech's ability to innovate.
- **Time and resource drain on management:** managers may spend significant time resolving disputes instead of focusing on strategic goals, leading to delays in achieving post-merger targets.
- **Increased absenteeism and stress:** conflict can increase workplace stress, which may result in more sick leave, absenteeism or even burnout, affecting staff wellbeing and consistency.
- **Damage to brand and external reputation:** internal conflict, if publicised (e.g. strikes or legal action), can harm ForgeTech's public image, potentially affecting customer trust and investor confidence.
- **Loss of knowledge and skills:** conflict-related resignations can lead to the loss of skilled employees who hold valuable institutional knowledge, slowing integration and performance.
- **Breakdown in communication:** tensions between departments or staff groups may result in poor communication, delays in decision-making and duplication of work.

(c) (Any **four**)

- **Job insecurity:** employees facing redundancy in overlapping roles may resist change to protect their livelihoods, leading them to cling to existing structures rather than embrace new ways of working.
- **Cultural clashes:** the two legacy firms had distinct norms and values. With one being traditional and one more progressive, staff may reject unfamiliar practices and rituals introduced post-merger.

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- **Fear of the unknown:** uncertainty about new processes, reporting lines or future career paths can create anxiety; without clear information, employees often default to resisting anything that feels unpredictable.
- **Loss of control:** workers accustomed to autonomy in decision-making may perceive the new, more centralised structure as disempowering, prompting them to undermine or ignore imposed changes.
- **Low trust in leadership:** a management focus on cost-cutting and financial targets, with less visible concern for staff welfare, can foster scepticism about the true motives behind change and fuel active pushback.
- **Skill-gap anxiety:** staff from the less tech-oriented business may doubt their ability to master digital systems; fear of embarrassment or failure discourages them from participating fully in training initiatives.
- **Inadequate communication:** sporadic or one-way announcements breed rumours and misinformation; without two-way dialogue, employees feel unheard and are more likely to resist the change agenda.
- **Disrupted social networks:** reassigning people into new teams breaks established working relationships and support systems, leading employees to resist change until they can rebuild trust and rapport.

(d) (i) **Identification**

The process begins by recognising the organisation's need for additional or replacement staff, often driven by factors such as growth, turnover or new projects. A detailed job analysis is then conducted to specify the role's duties, required qualifications, skills and experience. Finally, senior management approves the creation of the position and allocates the necessary budget before recruitment can proceed.

Application

Once the role is defined, it is advertised through appropriate channels – internal notices, online job boards, recruitment agencies or social media – to attract a wide but relevant audience. Candidates submit their curriculum vitae, cover letter and any required application forms, after which Human Resources (HR) conducts an initial screening to verify that applicants meet the essential criteria.

Selection

From the pool of applicants, HR and line managers shortlist those whose qualifications and experience most closely match the job specification. Shortlisted candidates are invited to interviews and, where appropriate, additional assessments such as aptitude tests or presentations. Finally, reference and background checks are completed, and the top candidate is extended a formal offer, with negotiations on salary and start date concluding the process.

(ii) (Any **two**)

Equality in recruitment

- **Non-discriminatory job ads:** ForgeTech must ensure that job advertisements are written in a way that is inclusive and does not unintentionally exclude any group. For example, phrases like 'seeking young, dynamic candidates' can inadvertently discriminate against older individuals. The language used should be neutral, focusing solely on the skills and experience required for the role.

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- **Objective screening and selection criteria:** to ensure equality, ForgeTech should establish clear, objective criteria for selecting candidates. This might include a scoring system based on qualifications, skills, experience and other job-related factors, ensuring that decisions are made based on merit rather than subjective or discriminatory preferences.
- **Fair treatment in the hiring process:** it is essential that ForgeTech ensures the entire recruitment process, from interviews to final selection, is free of bias. For instance, interviewers should receive training to prevent unconscious bias, which can influence their decision-making process.

Diversity in recruitment

- **Diverse hiring panels:** having a variety of perspectives in the recruitment process can help ForgeTech reduce bias in hiring decisions. For example, having women, people from various ethnic backgrounds and individuals of different ages or abilities on the hiring panel ensures that a broad range of viewpoints are considered when selecting candidates.
- **Targeting underrepresented groups:** ForgeTech can make an active effort to reach out to underrepresented groups in the labour market. This could include advertising on platforms that cater to women in engineering or ethnic minorities. By actively encouraging diverse applicants, ForgeTech can build a more inclusive workforce and reduce the risk of homogeneity, which often limits innovation.
- **Inclusive recruitment practices:** ForgeTech can develop recruitment strategies aimed at attracting candidates from diverse backgrounds. This might include offering flexible working arrangements or promoting the company as an inclusive employer, thus attracting a wider and more varied applicant pool.

Inclusion in recruitment

Inclusion refers to creating an environment where all employees feel valued, respected and integrated into the organisation, regardless of their background.

- **Inclusive interview practices:** ForgeTech can implement strategies such as blind recruitment, where personal information (e.g. names, photos, gender) is removed from applications to ensure decisions are based purely on qualifications and skills. This helps to reduce biases related to race, gender or other personal characteristics.
- **Reasonable accommodations:** for candidates with disabilities, ForgeTech should ensure that their recruitment processes are accessible. This includes providing reasonable accommodations during interviews (e.g. accessible interview rooms, sign language interpreters or assistive technology). It's essential to make sure all candidates, regardless of their physical abilities, can participate in the recruitment process on equal terms.
- **Supportive work environment post-hiring:** inclusion doesn't end with the hiring process. Once candidates are hired, ForgeTech should promote an inclusive culture where everyone feels valued. This includes mentorship programmes, employee resource groups and ensuring equal opportunities for career advancement. A supportive and inclusive environment can help employees from diverse backgrounds feel comfortable, perform well and stay with the company.

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(e) Legislative protection

- **Unfair Dismissals Act 1977–2015 (Ireland):** this law protects employees from being unfairly dismissed. In the case of ForgeTech, some redundancies occurred due to overlapping roles. Under the Act, these redundancies must be genuine, and employees must be selected using fair procedures (e.g. last in, first out or skills-based criteria). Dismissals based on age, gender or other discriminatory grounds would be unlawful.
- **Redundancy Payments Acts 1967–2014:** employees who lost their jobs due to role duplication at ForgeTech would be entitled to redundancy payments, provided they had the required service. This provides financial support during job loss and helps protect workers' economic wellbeing.
- **Employment Equality Acts 1998–201:** these Acts prohibit discrimination in the workplace. For example, if older employees from the less tech-focused firm faced unfair treatment because of their resistance to digital systems, that could potentially breach equality legislation.
- **Organisation of Working Time Act 1997:** ensures protection in areas such as working hours, rest breaks and annual leave. As ForgeTech reorganised and recruited new staff, these working time rules would continue to protect employee rights during transition periods.
- **Health and Safety Authority (HSA) – Safety, Health and Welfare at Work Act 2005:** protects workers' health and safety. As ForgeTech formed new teams and digitalised workflows, the new systems had to be safe and staff appropriately trained to prevent mental or physical strain.

Non-legislative protection

- **Trade unions:** trade unions can represent employees during periods of change like the ForgeTech merger. They could negotiate fair redundancy terms, advocate for retraining opportunities or support workers facing digital skill challenges.
- **Workplace policies and procedures:** ForgeTech offered training to help staff adapt to the digital environment, showing an internal commitment to support. Clear internal grievance procedures also allow employees to report issues like unfair treatment without legal action.
- **Human resource management (HRM):** ForgeTech hired new HR staff to manage the larger workforce. HR departments play a key role in ensuring workplace fairness, implementing diversity and inclusion policies and resolving disputes internally.
- **Employee assistance programmes (EAPs):** though not mentioned, ForgeTech could introduce supports such as counselling or wellbeing services to help staff cope with organisational change and stress.

(f) (Any **two**)

- **Setting the tone from the top:** ForgeTech leadership must model healthy work–life balance, respectful behaviour and prioritise employee wellbeing. When leaders value wellness, it becomes embedded in workplace culture.
- **Supporting change and reducing stress:** during times of major transition (e.g. post-merger), leadership must acknowledge employee stress and provide supports such as counselling, open communication and clarity around job roles.
- **Implementing wellness initiatives:** leaders can promote physical and mental health by introducing wellness programmes, such as flexible working hours, fitness incentives, mental-health days and access to employee assistance services.

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- **Fostering a supportive culture:** leadership must encourage inclusion, collaboration and positive team relationships. This reduces isolation and helps create a psychologically safe environment.
- **Listening and responding to employee needs:** leaders should use staff surveys, feedback sessions and one-to-one meetings to understand concerns and implement meaningful changes based on staff input.

Question 2 **(70 marks)**

(a) **Businesses**

- **Access to global supply chains:** interdependence allows businesses to source raw materials, components and services from around the world at competitive prices. This can lower costs and improve efficiency.
- **Expansion into new markets:** businesses can sell goods and services internationally, increasing their customer base and revenue streams, particularly through e-commerce and digital platforms.
- **Vulnerability to global disruptions:** relying on other countries for inputs or distribution exposes firms to risks such as **supply chain delays**, **trade disputes** or **natural disasters** that can halt production.
- **Competitive pressure:** interdependence increases competition from international firms, which may challenge domestic businesses to continuously improve quality, pricing and innovation.

Consumers

- **Greater choice and lower prices:** consumers benefit from a wider range of products from different countries, often at lower prices due to economies of scale and global competition.
- **Improved innovation and quality:** with more businesses competing globally, consumers often enjoy faster innovation and better quality goods and services.
- **Job insecurity in certain sectors:** interdependence may lead to outsourcing of jobs to lower-cost economies, resulting in reduced employment opportunities in some local industries.
- **Exposure to global instability:** consumers can be affected by global crises (e.g. pandemics, war, inflation) that impact product availability, prices or delivery times.

Overall evaluation

Interdependence creates mutual benefits for businesses and consumers by enabling access to resources, markets and innovation. However, it also introduces risks such as supply chain vulnerability, job displacement and increased competition. In my opinion, while interdependence strengthens global economic cooperation, it requires careful management and diversification strategies to ensure resilience and fairness.

(b)

- **Employment creation:** businesses are the primary source of employment in Ireland, providing jobs across sectors such as agriculture, industry, retail, technology and services. This reduces unemployment and supports household incomes.
- **Tax revenue generation:** Irish businesses contribute significantly to government income through corporation tax, VAT, income tax (via payroll) and other levies. This revenue funds essential public services such as healthcare, education and infrastructure.
- **Foreign direct investment (FDI):** Ireland's open economy and pro-business policies attract multinational companies, especially in pharmaceuticals, finance and ICT. These companies invest heavily, create high-skilled jobs and enhance Ireland's global economic profile.
- **Exports and trade:** Irish businesses play a vital role in the country's export-led growth model. Products and services from sectors like technology, agri-food and medical devices strengthen Ireland's trade balance and global competitiveness.

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- **Innovation and entrepreneurship:** the business economy drives innovation through research and development (R&D), new product creation and digital transformation. Start-ups and SMEs contribute to regional development and economic diversification.
- **Regional and rural development:** businesses located outside urban centres help stimulate local economies, reduce regional inequalities and support community wellbeing by creating local employment and services.
- **Resilience and recovery:** the business sector is central to Ireland's ability to respond to economic shocks (e.g. COVID-19, inflation, Brexit) by adapting quickly, maintaining supply chains and supporting economic recovery.

(c) **(i)** (Any **two**)

- **Issuer:** central bank digital currencies (CBDCs) are issued by a central bank; stablecoins and crypto assets are created by private companies or decentralised networks.
- **Legal status:** CBDCs are legal tender backed by the state; stablecoins and crypto assets are not officially recognised as legal currency.
- **Value stability:** CBDCs maintain a stable value as they are tied to national currency; stablecoins aim for stability but may still carry risk; crypto assets are highly volatile.
- **Regulation:** CBDCs are fully regulated by public authorities; stablecoins face partial regulation; crypto assets often operate in unregulated environments.
- **Monetary policy role:** CBDCs support national monetary policy; stablecoins and crypto assets do not support or influence state financial policy.
- **Consumer trust:** CBDCs benefit from the public trust associated with central banks; stablecoins and crypto assets may face trust issues due to lack of guarantees.
- **Purpose:** CBDCs are designed for secure public use; stablecoins are mainly used for digital transactions; crypto assets are often used as speculative investments.
- Other suitable answers.

(ii) **Impact on consumers**

- **Faster payments:** consumers can transfer and receive money instantly using digital currency, improving convenience.
- **Greater financial inclusion:** people without access to traditional banks may be able to use digital currency through mobile devices or digital wallets.
- **Lower costs:** consumers may benefit from reduced prices if businesses pass on the savings from lower transaction fees.
- **Reduced cash dependence:** digital currency reduces the need to carry or handle cash, though this may disadvantage some older or rural consumers.
- **Privacy concerns:** transactions using CBDCs may be traceable, raising concerns about personal data and financial surveillance.
- **Cybersecurity risks:** consumers face increased risks of hacking or fraud, requiring stronger digital literacy and protection measures.
- Other suitable answers.

Impact on Businesses

- **Lower transaction costs:** businesses can reduce or eliminate fees charged by banks and card processors when using digital currencies.
- **Faster settlement:** payments are processed instantly, improving cash flow and efficiency in financial operations.

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- **Need for technological investment:** businesses may need to upgrade payment systems and train staff to accept and manage digital currency.
- **Improved transparency:** digital transactions provide clear records for auditing and compliance, reducing the risk of fraud or error.
- **Support for e-commerce and global trade:** digital currency simplifies cross-border payments, helping businesses expand into international markets.
- **Security responsibilities:** businesses must implement strong cybersecurity to protect digital transactions and customer data.
- Other suitable answers

(d) (Any **four**)

- **Right to access:** individuals have the right to obtain confirmation from an organisation about whether their personal data is being processed and, if so, access to that data along with information on how it is used.
- **Right to have errors corrected:** individuals can request correction of inaccurate or incomplete personal data held about them.
- **Right to erasure (right to be forgotten):** individuals can request the deletion of their personal data when it is no longer necessary for the purposes it was collected or if they withdraw consent.
- **Right to privacy:** under the General Data Protection Regulation (GDPR) and other privacy laws, this right ensures that personal data is collected, processed and stored lawfully, transparently and only for specified purposes.
- **Right to data portability:** individuals have the right to receive their personal data in a structured, commonly used and machine-readable format and transfer it to another data controller.
- **Automatic decision-making:** GDPR gives individuals the right not to be subject to decisions based solely on automated processing that produce legal effects or significantly affect them.

(e) (Any **three**)

- **Promoting a green culture:** employers can lead by example through sustainability policies, while employees support these by adopting eco-friendly practices (e.g. reducing paper use, turning off unused equipment).
- **Sustainable commuting:** employers can offer incentives for cycling, carpooling or using public transport. Employees contribute by choosing low-emission travel options where possible.
- **Waste reduction initiatives:** both parties can collaborate to implement recycling programmes, reduce single-use plastics and encourage reusables (e.g. coffee cups, lunch containers).
- **Energy efficiency measures:** employers can invest in energy-saving systems (LED lighting, smart thermostats), and employees can contribute by turning off lights and devices when they are not in use.
- **Sustainable procurement:** employees involved in purchasing can choose local, ethical or sustainable suppliers, while employers establish procurement guidelines that prioritise environmental impact.
- **Employee-led sustainability committees:** employers can support staff-led green teams or sustainability working groups that propose and implement environmental initiatives within the workplace.

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- **Flexible work options:** remote or hybrid working arrangements reduce commuting emissions and office energy use, benefiting both employers and employees.
- **Education and training:** employers can offer sustainability training or workshops, while employees engage with and implement what they learn.
- Other suitable answers.

Question 3 **(70 marks)**

(a) **(i)** A business model is an element within the business plan that outlines how a company will operate, create, deliver and capture value in economic, social and cultural contexts.

(ii)
- **Blueprint for value creation:** the business model explains how a company creates, delivers and captures value, showing the core way the business operates to generate revenue.
- **Framework for strategy:** it outlines the key components such as target customers, value proposition, revenue streams, cost structure and key activities, guiding strategic decisions.
- **Clarifies market position:** helps define the business's place in the market by identifying customer segments and competitive advantages.
- **Supports financial planning:** provides insight into revenue generation and cost management, essential for realistic financial projections and funding requests.
- **Communication tool:** offers investors, partners and stakeholders a clear understanding of how the business intends to succeed, reducing uncertainty.
- Other suitable answers.

(b) **(i)**
- **Facilitates coordination:** effective communication ensures all departments and employees work towards common goals by sharing information and aligning efforts.
- **Enhances decision-making:** clear communication provides accurate and timely information, enabling informed and efficient decisions.
- **Boosts employee morale:** open communication reduces misunderstandings, fosters trust and promotes a positive work environment.
- **Improves productivity:** when instructions and feedback are clearly conveyed, employees can perform tasks efficiently with fewer errors.
- **Supports change management:** effective communication helps manage organisational change by explaining reasons, benefits and expectations, reducing resistance.
- **Strengthens relationships:** good communication builds strong internal and external relationships, which enhances teamwork, customer satisfaction and stakeholder confidence.

(ii) **Verbal Communication** (any **two**)
- **Clarity and immediate feedback:** verbal communication allows for clear explanation of ideas and instant clarification through questions and answers.
- **Builds personal connections:** tone, pitch and style in spoken communication help establish rapport and trust between colleagues, clients and partners.
- **Efficient for complex discussions:** allows for nuanced conversation and detailed explanation, which can be essential in negotiations or brainstorming.
- **Adaptability:** speakers can adjust their message in real-time based on audience reactions.

Non-verbal communication (any **two**)
- **Reinforces verbal messages:** body language, facial expressions and gestures can support and strengthen the spoken word, enhancing understanding.
- **Conveys emotions and attitudes:** non-verbal cues often communicate feelings and attitudes that words alone cannot fully express.

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- **Builds trust and credibility:** positive body language, such as eye contact and open posture, fosters confidence and trustworthiness.
- **Crosses language barriers:** non-verbal signals can be universally understood, aiding communication in multicultural or international settings.

(c)

	Statement	True	False
1	Digital technology has not had any disruptive impact on market research and marketing.	✓	
2	Contingency planning should consider cost, time and risk.		✓
3	Not-for-profit organisations rarely use market research because they don't sell products.		✓
4	A force-field analysis is an approach used to identify and analyse forces that drive and inhibit change.	✓	
5	The circular economy extends the life cycle of products, reduces waste and creates further value.	✓	

(d) **(i)** Employment rates

(ii) The number of people who usually worked from home peaked at 846,700 during Q1 2021. This surge was likely due to public health restrictions during the COVID-19 pandemic, which required or encouraged remote working across most sectors. By Q4 2024, this figure fell/decreased to 539,900, representing the lowest level of usual home workers since the Q1 2021 figure. This indicates a gradual return to office-based work or more hybrid arrangements becoming the norm.

(iii) (Any **three**)

Ethical issues associated with remote and blended working

- **Work–life balance:** remote work can blur the lines between personal and professional life. Employers have an ethical duty to ensure that employees are not expected to be constantly available or overworked due to a lack of clear boundaries.
- **Digital exclusion:** not all employees have equal access to high-speed internet, modern devices or suitable home working environments. This can create inequality and disadvantage certain workers, raising concerns around fairness and inclusion.
- **Data privacy and surveillance:** some remote work arrangements involve digital monitoring of employee performance. While intended to maintain productivity, this raises ethical concerns about privacy, autonomy and trust.
- **Fairness in promotion and recognition:** employees working remotely may receive fewer opportunities for career advancement or visibility compared to office-based staff. Employers must ensure fair and transparent evaluation processes regardless of work location.

Sustainability issues associated with remote and blended working

- **Reduced carbon emissions:** fewer daily commutes mean lower greenhouse gas emissions, especially from private car use. This contributes to more sustainable urban living and reduced traffic congestion.
- **Lower energy use in offices:** with fewer people on-site, businesses can reduce heating, lighting and general energy consumption in office buildings, leading to smaller environmental footprints.

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- **Increased home energy consumption:** while office use may decline, home energy use (e.g. heating, lighting and device usage) will rise. Sustainability gains depend on the energy efficiency of employees' homes and behaviour.
- **Electronic waste and consumption:** remote working increases reliance on digital devices, raising issues around responsible sourcing of technology, energy use and eventual disposal of electronic waste.

Question 4 **(70 marks)**

(a) **(i)**

1. **Threat of new entrants:** the online bakery industry has relatively low barriers to entry due to minimal setup costs and the accessibility of digital platforms. However, new entrants face challenges such as building brand reputation, developing efficient delivery systems and complying with food safety regulations.
2. **Bargaining power of suppliers:** suppliers of ingredients (e.g. flour, butter, chocolate) may hold moderate power, especially if they provide specialised or organic products. However, with many suppliers available, online bakeries can often switch to alternative sources, reducing supplier power.
3. **Bargaining power of customers:** online customers have high bargaining power due to the ease of comparing products and prices across websites. They can switch to competitors with minimal effort, so bakeries must differentiate through product quality, pricing or customer experience.
4. **Threat of substitute products:** there is a strong threat from substitute products such as supermarket-bought baked goods, meal kits or healthy snack alternatives. Customers seeking convenience, cost savings or dietary alternatives (e.g. gluten-free, low-sugar) may opt for these substitutes.
5. **Industry rivalry:** competition in the online bakery sector is intense, particularly in urban areas. Rivals compete on pricing, delivery speed, branding and product range. Seasonal demand (e.g. holidays, birthdays) can also heighten rivalry as businesses strive to capture market share.

(ii) **Competitive advantage:** businesses must focus on innovation, customer service and brand loyalty to remain competitive. The online bakery industry is shaped by strong customer bargaining power, high rivalry and significant threat of substitutes and new entrants.

(b)

EU institution	1	2	3	4
Description of role	C	A	D	B

(c) **(i)** (Any **three**)

- **Desire for independence:** many individuals start businesses to be their own boss and gain control over decisions, work hours and direction.
- **Pursuit of profit:** the potential to earn more income than in traditional employment is a major motivator for entrepreneurs.
- **Passion and interest:** turning a personal passion, hobby or skill into a business can lead to greater job satisfaction and motivation.
- **Market opportunity:** entrepreneurs often identify a gap in the market or an unmet customer need and start a business to fill that niche.
- **Flexibility and work–life balance:** running a business can offer more flexible working conditions, which is attractive for those seeking better work–life balance.

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- **Legacy or family business:** some start a business to build a legacy, pass something on to future generations or continue a family enterprise.
- **Desire to innovate:** entrepreneurs may want to introduce new products, services or business models that challenge existing norms.
- **Unemployment or career change:** starting a business can be a proactive response to job loss, redundancy or dissatisfaction with current employment.
- Other suitable answers.

(ii)
- **Encouraging creativity:** promote brainstorming sessions, idea-sharing platforms and open dialogue to generate new ideas.
- **Providing autonomy:** allow employees the freedom to experiment and make decisions within their roles.
- **Supporting risk-taking:** create a culture where calculated risks and learning from failure are accepted and encouraged.
- **Rewarding innovation:** recognise and reward employees who contribute new ideas or improvements to processes or products.
- **Investing in training and development:** offer continuous learning opportunities to develop problem-solving and critical thinking skills.
- **Cross-functional collaboration:** encourage teams from different departments to work together, leading to diverse perspectives and creative solutions.
- **Leadership support:** managers should actively support innovation by allocating time, resources and mentorship to new initiatives.
- **Providing resources and time:** dedicate specific time and budget for innovation projects and experimentation.
- **Encouraging ownership of projects:** let employees take responsibility for developing and leading new ideas or internal ventures.
- **Feedback and continuous improvement:** establish systems for regular feedback and reflection to refine ideas and promote ongoing innovation.
- Other suitable answers.

(d) **(i)** (Any **three**)
- **Market development:** this strategy involves selling existing products in new markets. For example, a business may begin exporting to another country or targeting a different demographic within the same country. It helps to increase sales and spread market risk.
- **Product development:** businesses create new products or improve existing ones to meet changing consumer preferences or take advantage of technological advances. This keeps the company competitive and may increase customer loyalty and revenue.
- **Diversification:** the business expands into completely different markets or product areas to reduce dependency on one market. For example, a food company might start producing health supplements. This can be risky but offers high rewards if successful.
- **Strategic alliances or joint ventures:** two or more businesses work together on a particular project or operation, sharing resources and expertise. For example, a technology firm might partner with a retailer to develop smart shopping solutions. It allows businesses to expand without fully merging.
- **Mergers and acquisitions:** the business either merges with another firm or buys it outright. This can lead to rapid expansion, increased market share, access to new customers and economies of scale. However, it can be costly and complex to manage.
- **Franchising:** the original business (franchisor) allows others (franchisees) to operate under its brand and business model. It is a low-risk expansion strategy for the franchisor, helping grow the business with less capital investment.

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- **E-commerce expansion:** the business develops an online presence, allowing it to sell products or services digitally. This increases market reach, allows for 24/7 trading and reduces the costs associated with physical stores. It is particularly effective for accessing younger or international customers.
- **Innovation and technology adoption:** investing in new technology (e.g. automation, AI or app development) helps businesses stay competitive, reduce costs and improve product quality or service delivery. Innovation can also lead to the creation of entirely new products or services.
- **Rebranding or repositioning:** a business may change its name, logo, marketing message or target audience to reflect a new direction or to modernise its image. This can attract new customers and revive interest in the brand, especially in saturated or declining markets.
- **Flexible work practices:** to adapt to changes in the workforce or consumer behaviour, businesses might implement remote working, flexible hours or new team structures. This can attract skilled employees, reduce operational costs and improve productivity.
- Other suitable answers.

(ii)

- **E-commerce platforms:** technology enables businesses to sell products and services online, reaching a global customer base without the need for physical expansion. This reduces overheads and opens new revenue streams.
- **Digital marketing:** through social media, search engine optimisation (SEO), email campaigns and influencer marketing, businesses can promote their brand to targeted audiences with lower costs and measurable results. This supports expansion into new markets efficiently.
- **Cloud computing:** cloud-based tools allow teams to collaborate remotely, store data securely and scale operations quickly. This flexibility supports both adaptation to hybrid work models and expansion into new locations.
- **Data analytics:** advanced analytics help businesses understand consumer behaviour, market trends and performance metrics. This allows for better decision-making and adaptation to changing market conditions.
- **Automation and AI:** technology such as chatbots, automated inventory systems and AI-driven customer service improves efficiency, reduces costs and ensures consistent service, enabling businesses to scale more easily.
- **Mobile technology:** developing mobile apps or optimising websites for smartphones allows businesses to reach customers on-the-go, adapt to mobile shopping trends and improve user experience.
- **Digital payment systems:** secure, fast and convenient online payment solutions make it easier to conduct transactions globally, supporting international trade and customer expansion.
- **Cybersecurity tools:** as businesses grow and adapt digitally, strong cybersecurity systems protect customer data and business operations, ensuring trust and compliance with data protection regulations.
- **Supply chain technology:** software for tracking logistics, managing suppliers and forecasting demand helps businesses adapt to disruptions and expand operations smoothly across regions.
- Other suitable answers.

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(e) **Internal** (any **two**)

- Change in leadership or management
- Restructuring
- Introduction of new technology
- Expansion or downsizing
- Change in business strategy
- Innovation and product development

External (any **two**)

- Economic conditions
- Legal and regulatory changes
- Technological advancement
- Social and cultural trends
- Competitive environment
- Political factors
- Environmental events

Question 5 **(70 marks)**

(a) **(i)** The 7Ps of the marketing mix: Product, Price, Place, Promotion, People, Process and Physical Evidence (packaging) are essential for a business to effectively meet customer needs and compete in the market. The Product must satisfy customer demands, while Price balances affordability and profitability. Place ensures availability, and Promotion drives awareness and sales. People influence the customer experience through their skills and service, while Process guarantees efficient and consistent delivery. Lastly, Physical Evidence helps build trust by providing tangible proof of quality. Together, these elements enable a business to create value, differentiate itself and succeed.

(ii)

- **Product:** Orbit Phones offers affordable, reliable smartphones focusing on battery life, durability and ease of use. To improve, the company could expand its product range by introducing models with additional features such as better cameras or enhanced connectivity options to attract a wider audience. Offering customisation options or eco-friendly materials could also enhance appeal.
- **Price:** the company targets budget-conscious customers with competitive pricing. To improve, Orbit Phones could introduce flexible payment plans or financing options, making phones more accessible. Additionally, bundling phones with accessories or service packages could increase perceived value.
- **Place:** Orbit Phones currently sells online through its website and selected Irish electronics retailers, providing convenient access for customers. To improve, the company could expand retail partnerships to reach more locations across Ireland and optimise its website for a smoother shopping experience. Additionally, listing products on popular online marketplaces and exploring pop-up stores or local events would increase brand exposure and customer engagement. Enhancing delivery speed and return policies would further boost customer satisfaction and loyalty.
- **Promotion:** Orbit Phones currently relies mainly on social media marketing and occasional online discounts to raise awareness and drive sales. To strengthen promotion, the company could diversify its marketing channels by incorporating influencer partnerships, targeted email campaigns and content marketing such as tutorials or customer testimonials. Introducing loyalty programmes or referral incentives would encourage repeat purchases and word-of-mouth promotion.
- **People:** Orbit Phones currently has a small customer support team available via email and online chat, with limited face-to-face contact. To improve, the company could invest in expanding its support team to reduce response times and enhance service quality. Introducing phone support and scheduled video calls would add a personal touch and build customer trust. Creating a comprehensive online help centre with FAQs and tutorials would empower customers and improve overall satisfaction.
- **Process:** Orbit Phones uses a standard online purchasing process with basic order tracking and handles customer returns via email support. To improve, the company could implement a more advanced, user-friendly order tracking system with real-time updates and notifications. Introducing an automated returns portal would simplify the returns process, making it faster and more transparent for customers. Streamlining payment options and offering multiple secure payment methods would further enhance the buying experience and build customer confidence.

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- **Physical evidence:** Orbit Phones uses simple, eco-friendly packaging, which aligns well with growing consumer demand for sustainability. However, with no physical retail presence and only an online brand presence, the company could strengthen its physical evidence by enhancing unboxing experiences with branded, attractive packaging inserts such as user guides or thank-you notes. Additionally, developing branded merchandise or creating pop-up stores could provide tangible brand interactions, increasing customer trust and reinforcing brand identity beyond digital channels.
- Other suitable answers under these headings.

(b) **(i)** (Any **two**)

- **Poor communication:** misunderstandings, lack of clear instructions or incomplete information can cause confusion and frustration among employees, leading to disagreements.
- **Personality clashes:** differences in individual personalities, values or work styles may result in tension when employees struggle to work effectively together.
- **Competition for resources:** limited access to tools, promotions or recognition can create rivalry and conflict as employees compete for what they need or want.
- **Unclear roles and responsibilities:** when job duties are not well-defined, employees may overlap tasks or feel others are not pulling their weight, causing disputes.
- **Stress and heavy workloads:** high pressure and demanding workloads can increase irritability and reduce patience, making conflicts more likely.
- **Ineffective or unfair management:** poor leadership, favouritism or inconsistent enforcement of rules can cause dissatisfaction and fuel conflicts among staff.
- Other suitable answers.

(ii) (Any **three**)

Employees' methods

- **Open communication:** encourages transparency and honesty, helping to clear misunderstandings before they escalate. It fosters trust but requires willingness from all parties to engage constructively.
- **Active listening:** shows respect for differing viewpoints, which can de-escalate tension. It improves mutual understanding and helps find solutions that satisfy both parties.
- **Mediation by a neutral colleague:** involves an impartial third party who facilitates dialogue. This can help resolve conflicts more objectively but depends on the mediator's skills and the parties' openness.
- **Escalation to supervisors:** useful when informal methods fail or when conflicts affect work performance. It ensures accountability but risks formalising disputes, which may increase tension if not managed carefully.
- **Emotional intelligence:** managing one's emotions and recognising others' feelings can prevent conflicts from worsening. It promotes empathy and patience, essential for long-term workplace harmony.
- Other suitable answers.

Employers' methods

- **Clear conflict resolution policies:** provide structured guidelines that clarify acceptable behaviours and procedures. This reduces ambiguity and ensures consistent handling but must be communicated effectively to be useful.

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- **Training in communication and conflict management:** equips employees and managers with skills to handle disputes constructively. It builds a proactive culture but requires ongoing investment and commitment.
- **Formal mediation or arbitration:** offers a professional, neutral process to resolve serious conflicts fairly. It can prevent escalation and legal issues but may be time-consuming and costly.
- **Regular feedback sessions:** helps identify and address issues early, preventing conflicts from festering. It fosters open dialogue but relies on honest participation and skilled facilitation.
- **Promotion of teamwork and respectful culture:** reduces conflict by creating a positive environment where collaboration is valued. It is preventive rather than reactive, requiring consistent leadership and reinforcement.
- **Direct intervention or disciplinary action:** necessary when conflicts threaten workplace safety or productivity. It sends a clear message but must be applied fairly to avoid resentment or further issues.
- Other suitable answers.

(c) (Any **three**)

- **Email and instant messaging:** these tools allow employees to send messages quickly and efficiently, facilitating direct communication across departments and locations without delay.
- **Video conferencing:** enables virtual face-to-face meetings, which support collaboration among remote teams and reduce the need for travel, saving time and costs.
- **Project management software:** helps organise tasks, share updates and track progress in real-time, ensuring all team members are informed and coordinated.
- **Intranets and internal social networks:** provide centralised platforms for sharing company news, documents and feedback, fostering transparency and a sense of community within the organisation.
- **Mobile communication technologies:** allow employees to stay connected via smartphones and tablets, improving responsiveness and enabling work from any location.
- Other suitable answers.

(d) **(i)** **Employee appraisal** is a process where an employee's performance and contribution are formally assessed by management, often through a review meeting.

(ii) **Induction training** is provided to new employees to introduce them to the organisation, the workplace and the expectations of their role.

(iii) A trading bloc is a group of countries that have agreed to reduce or eliminate **tariffs** and other trade barriers between members to encourage **free** trade.

(iv) **Contingency planning** involves preparing for the unexpected events by identifying risks, assessing their impact and developing response strategies to respond effectively.