

Question Number	Answer	Marks
1(a)	B	1
1(b)	<p>Definition of internal recruitment (1m). The ERCFA would either have to spend time and money themselves or hire an agency to do the job for them if recruiting externally (1m). There are costs involved in both, both financial and opportunity (1m). External agencies have a profit margin to build in (1m). Candidate may ask - who knows best? What expertise is required (1m). If a candidate chooses to explain why an incorrect option does not 'fit the bill' e.g. A, it would not be enough for them to say that those overlooked for promotion <i>would</i> become demotivated - they must state why, for instance, 'they may feel that the business doesn't value them'.</p> <p>NB Maximum of 2 additional marks for reason if part (a) is incorrect or if only the wrong answers are focused on in the explanation.</p>	3

Question Number	Answer	Marks
2(a)	C	1
2(b)	<p>Definition of trading (1m) Competition means lower prices (1m). Supermarkets benefit from economies of scale and produce more cheaply (1m). Cost savings may be passed on to customers (1m). Supermarket bread may even be sold as a loss leader (1m). Despite Skelton's good customer relations, in times of austerity, many customers will buy on price (1m). Longer credit terms would improve cash flow and therefore make closure less likely. (1m)</p> <p>NB Maximum of 2 additional marks for reason if part (a) is incorrect or if only the wrong answers are focused on in the explanation.</p>	3