

Ethics is:
about what is right and wrong

6:1 Ethical and Environmental Considerations

Ethics involves treating workers, suppliers and customers right however what is right and wrong changes over time so it can be hard for businesses to keep up.

Ethical marketing

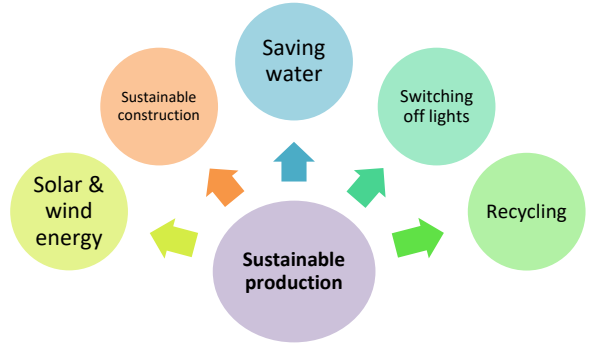
Marketing activities that seek to give customers information to make good choices

Environmentally friendly

Describes consumers and businesses that act to make production sustainable
Sustainable production
The share of the total market for a product

Benefits of being environmentally friendly

Increased sales	Reduced costs
Reduced tax bills	Reduce resource scarcity



Economic climate:
refers to how well the country is doing in terms of the levels of income and employment

6:2 The Economic Climate

Gross Domestic Product (GDP) is a measure of the amount of goods and services a country produces

Income

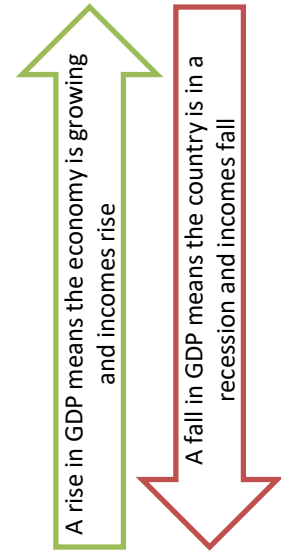
The amount of money people receive from work

Customers

Buyers of goods and services

Consumer income

The total amount of income that all customers in the country receive



	Response to economic change
Production	- Sell the product at a lower cost to beat competition (<i>less profit though!</i>) - Improve quality control to reduce wastage - Increase productivity through technology
HR	Increase productivity by motivating workers
Finance	- Reduce costs by improving cash flow, reducing interest payments on overdrafts or loans - Change loans to get a lower interest rate
Marketing	- Change the marketing mix - Change the product to appeal to different customers - Increase promotion - Different pricing strategies - Sell using e-commerce

Globalisation is:
the process by which business activity around the world has become increasingly interconnected

6:3 Globalisation

Pros of a UK business locating abroad

- Lower labour costs
- Lower costs
- Expertise
- Skilled workers
- Demand

Cons of a UK business locating abroad

- Quality control
- Poor communications
- Transport
- Loss of UK sales
- No skilled labour
- Costs of moving

International branding

Creating an image or values for a product in different countries

Multinational companies

Businesses that operate in different countries

Productivity

A measure of output of each worker on average

Free trade

The absence of restrictions on trade between countries

Influences on business

Ethical and environmental considerations

There could be negative implications if businesses don't follow UK guidelines in other countries

The economic climate

This will influence whether or not a business is willing to operate there - if low income the business will suffer

Assessment Information

Your assessment will take place during a normal timetabled lesson but you should be revising at home.

Number of marks available: 40
Time allowed: 50 minutes

Answer ALL of the questions

The first 10 questions will be multiple choice - you must only select ONE answer, selecting two will score 0 marks.

The other questions will include a range of 2, 3, 4, 6, 7, & 9 mark questions

Possible questions

- State two advantages of moving production abroad.
- Define the term 'globalisation'.
- Explain how being environmentally friendly could affect the finance department.
- Analyse how being environmentally friendly can benefit a business.
- Analyse two impacts of globalisation on a business.
- Evaluate how a rise in income could affect different business functions.

State

Explain

Analyse

Recommend

Evaluate