

## Scenario Pack

### External influences on business activity

## Cambridge IGCSE™ Business 0450

This *Scenario Pack* can also be used with the following syllabuses:

- Cambridge IGCSE™ (9–1) Business Studies **0986**
- Cambridge O Level Business Studies **7115**



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# Contents

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**Introduction** ..... 4

**Developing thinking skills** ..... 5

**Scenario lesson:** External influences on business activity ..... 6

**Worksheets and answers**..... 9

## Introduction

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This pack will help you to encourage your learners to develop and use higher order thinking skills such as application, analysis, evaluation and justification.

### Important note

Our *Scenario Packs* have been written by **classroom teachers** to help you deliver lessons which develop higher order thinking skills. Use these materials to supplement your teaching and engage your learners. You can also use them to help you create lesson plans for other parts of the syllabus.

This is one of a range of *Scenario Packs*.

Each pack draws on a range of assessment objectives so that learners can focus on using higher order thinking skills in novel situations. A range of media is used in the packs to give learners an immersive experience within which they can use their skills. The packs can be used in any order to suit your teaching sequence.

In this pack will find the lesson plan, worksheets for learners, video file and teacher resource sheets you will need to successfully complete the lesson. Please note that the lesson timings are for guidance, and you may need to adapt these to suit your circumstances.

## Developing thinking skills

This *Scenario Pack* focuses on AO4, drawing on subject knowledge from section 6 of the course syllabus.

This lesson has links to the following syllabus content (see syllabus for detail):

- 6.1 Economic issues
- 6.2 Environmental and ethical issues
- 6.3 Business and the international economy

This activity covers the following skills, adapted from assessment objective AO4 (see syllabus for assessment objectives):

- Understanding implications
- Drawing inferences and conclusions
- Making judgements
- Making decisions
- Making recommendations
- Presenting reasoned explanations
- Balancing arguments

## Prior knowledge




Knowledge from the following syllabus topics is useful for this activity

- 6.1 Economic issues
- 6.1.1 Business cycle
- 6.1.2 How government control over the economy affects business activity and how businesses may respond
- 6.2.1 Environmental concerns and ethical issues as both opportunities and constraints for businesses
- 6.3.1 The importance of globalisation
- 6.3.3 The impact of exchange rate changes

## Scenario lesson: External influences on business activity

<b>Resources</b>	<ul style="list-style-type: none"> <li>• PPT</li> <li>• Interactive Video</li> <li>• Worksheet A, Worksheet B, Worksheet C, Worksheet D, Worksheet E, Worksheet F, Worksheet G and Worksheet H</li> </ul>
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<b>Learning objectives</b>	<p>By the end of the lesson:</p> <ul style="list-style-type: none"> <li>• <b>all</b> learners should be able to make some decisions in given scenarios, giving some explanation for their choices</li> <li>• <b>most</b> learners should be able to give reasoned answers for their decisions with some balance</li> <li>• <b>some</b> learners will be able to fully justify their decisions, giving supported reasoning for their choices, to include arguments for and against</li> </ul>
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Timings	Activity
 <p>10 min</p>	<p><b>Starter</b></p> <p>Give learners <a href="#">Worksheet A</a> and explain that each answer in the crossword is linked to the main activity and should help them to revisit the key terminology.</p> <p>This can be peer marked using the answers to <a href="#">Worksheet A</a>. They should make corrections to any clues they misunderstood.</p> <p>Check final understanding of the key terms by asking learners to feedback on any further explanations they may need. It is important that they make the corrections or ask for clarification before beginning the main activity.</p>
 <p>5 min</p>	<p><b>Main lesson</b></p> <p>Give learners <a href="#">Worksheet B</a> and use the PPT to introduce them to the main activity, their roles, and the background information on the business.</p> <p>After you have finished introducing the task to learners ask them to arrange themselves (or assign them yourself) into teams of three.</p>
 <p>25 min</p>	<p>Once in their teams, ask learners to choose their roles and hand out the following to each team in an information pack, to distribute between them accordingly:</p> <ul style="list-style-type: none"> <li>• Recorder: <a href="#">Worksheet C</a></li> <li>• Key term checker: <a href="#">Worksheet D</a></li> <li>• Response coordinator: Will record final decisions on <a href="#">Worksheet C</a></li> </ul>

## Scenario lesson: *Continued*

Timings	Activity
	<p>Remind learners that all the decisions they make during the activity need to be based on Fizzi Nations' current situation and future plans.</p> <p style="text-align: center;">Start the interactive video now</p> <p>You can use <a href="#">Worksheet F</a> to record the revenue awarded to the teams based on their decisions. The <a href="#">answers to Worksheet C</a> provide suggestions to help with this. This can be done while learners are completing the plenary activity and the team with the most revenue wins.</p> <p><b>Debrief</b></p> <p>Ask learners to put their pens to one side so answers can't be changed. The aim of the debrief is to provide a platform for them to share and discuss the decisions they have made for Fizzi Nation.</p> <p>Choose three or four of the scenarios to use in the debrief to form the basis for discussion, for example.</p> <ul style="list-style-type: none"> <li>• Ask a team what their decision was for scenario one</li> <li>• Encourage them to explain why they made this decision and get them to justify their answer by explaining why they thought their decision would be better for Fizzi Nation than the other two options. Ask them to think about the advantages and disadvantages of each option in the context of Fizzi Nation, and then how they used this to come to their final decision as the best option.             <ul style="list-style-type: none"> <li>○ Why did you make this decision over the other two options? Please give me a minimum of one advantage and one disadvantage.</li> </ul> </li> <li>• Ask the other teams if they agree – again they must say why they do or don't.             <ul style="list-style-type: none"> <li>○ Who agrees or disagrees with this choice and why?</li> </ul> </li> </ul> <p>When learners are faced with options to choose from they need to consider advantages and disadvantages of each option to help them make a final decision which should be backed up with justified arguments. Remind them that all the options are valid, but it is about choosing the most appropriate one for that situation in the context of the business and its plans.</p> <p>At the end of the debrief the learner acting as the response coordinator for their team should bring you their decision sheet to be scored.</p>



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## Scenario lesson: *Continued*

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### Plenary

Hand out [Worksheet E](#).

This is an individual activity where learners have to justify their team's decisions for each external influence scenario. This should provide them with the opportunity to practise the skill of justifying answers and drawing final conclusions.

Learners need to say why they selected their chosen decisions and why they rejected the other two. They should recognise that each decision may also have benefits. The aim is for learners to consider, independently, the advantages and disadvantages of each decision and then decide on the final one for each scenario, saying why they have chosen it. This activity also provides individuals the chance to alter their choices if they disagreed with their final team choices.



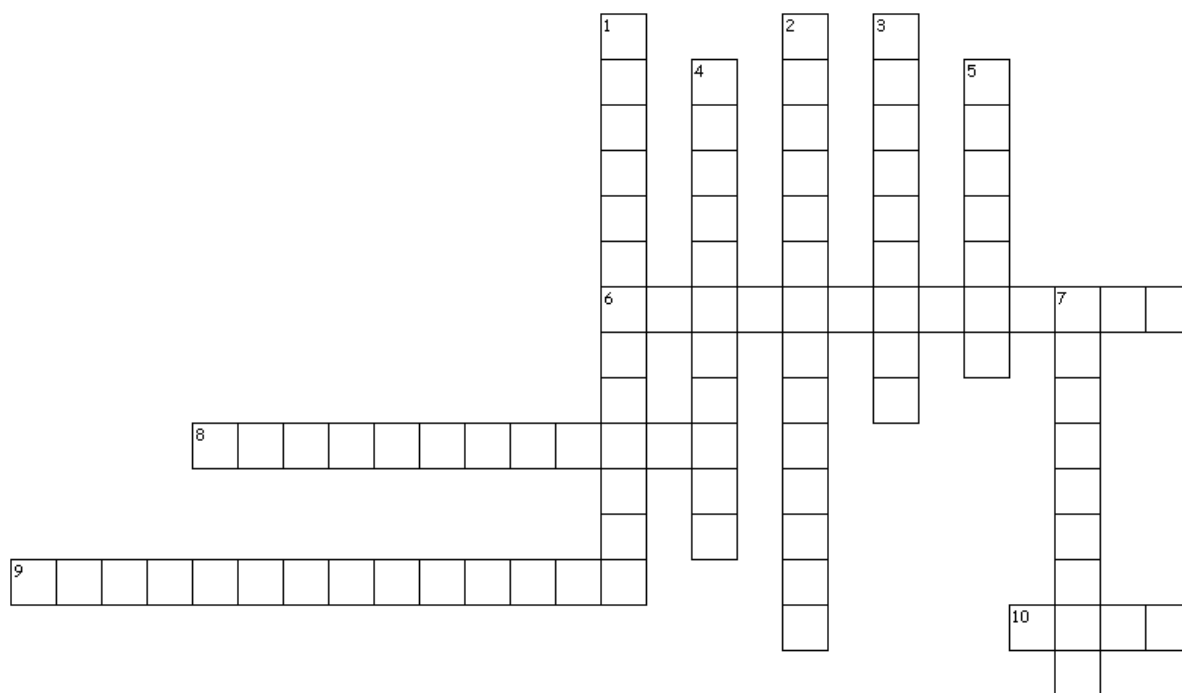
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## Worksheets and answers

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	<b>Worksheets</b>	<b>Answers</b>
<b>A:</b> Crossword	<b>10</b>	<b>21</b>
<b>B:</b> Business profile	<b>11</b>	<b>–</b>
<b>C:</b> Learner recording sheet	<b>12–14</b>	<b>22–24</b>
<b>D:</b> Key terms	<b>15</b>	<b>–</b>
<b>E:</b> Individual response sheet	<b>16–18</b>	<b>–</b>
<b>F:</b> Teacher scoring sheet	<b>19–20</b>	<b>–</b>

## Worksheet A: External influences crossword



### Across

6. The process by which countries are connected with each other because of the trade of goods and services
8. The cost to a person or business of borrowing money from a lender such as a bank
9. Organisations of like-minded people who put pressure on businesses and the government to change their policies
10. This stage is the peak of the business cycle

### Down

1. The rate at which one country's currency can be exchanged for that of another
2. Tax paid by businesses on the profits they make
3. This is when the economy shrinks in size
4. Businesses should care for this when making decisions
5. Making business decisions that are morally right
7. The price increase of goods and services over time

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## Worksheet B: Business profile

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### The company

**Fizzi Nation** is a large manufacturing business that produces soft drinks. Their *headquarters* are in the UK and they have factories in other parts of the world.

External influences are factors that can influence business activity but are outside the control of the business. Businesses need to understand how these factors influence them and their decision making, and how they might respond.

The governments in each country **Fizzi Nation** operates in have specific *economic objectives* and aims to achieve them through their *economic policies*. Such policies have a large impact on businesses such as **Fizzi Nation**.

The positive and negative impacts businesses have on the physical environment and society influence how they operate and how successful they are. *Pressure groups* and *government initiatives* mean **Fizzi Nation** have to think carefully about their environmental, social and ethical responsibilities as all of them are external influences on their activities.

In addition to this, as *globalisation* increases, so too does the influence of the international business environment on **Fizzi Nation's** business activity.

**Fizzi Nation** need to fully understand how these external factors influence and affect their business activity and decision making, but also need to plan for how they might respond to them. Although external influences are outside the control of the business and therefore create uncertainty, they can be planned for.

### Your task

You have been appointed by **Fizzi Nation** to help identify how a range of external factors might influence them, and how they should respond and plan. You will help the business decide how to respond to the effects of a range of scenarios, which are outside of their control.

You will need to work in teams of three and you will need to decide who takes each of the roles shown below:

- **Recorder** – This role records each scenario on the grid sheet as they appear on the video animation
- **Key term checker** – This role is responsible for checking that all team members are confident with any key terms linked to each scenario
- **Response coordinator** – This role coordinates the discussed responses of the team for each scenario, and is responsible for recording the team's final decision for each scenario on the sheet provided.

*Revenue* will be awarded for each decision that is made. The amount of *revenue* awarded will depend on the decision your team makes.

## Worksheet C: Recording sheet

Don't forget to discuss the advantages and disadvantages of each effect, before you make your final justified choice. Remember you are looking to choose the effect that is going to have the biggest impact for that given scenario.

**Team name:** .....

External influence affecting the business	Decision A	Decision B	Decision C	Reason for your decision
1.	Assess their growth strategy and look at relocating to where corporation tax is lower.	Raise prices of drinks to cover some of the costs.	Look for other sources of finance if shareholders become discouraged from investing due to lower dividends.	
2.	Introduce a value brand of drinks using cheaper ingredients, reducing production costs and therefore price.	Switch to a cheaper supplier keeping the same brand to bring prices down.	Increase marketing spend to raise more awareness of the range of drinks.	
3.	Source alternative packaging that can be recycled so all Fizzi Nation cans and bottles can be recycled.	Keep with existing packaging and hope it doesn't receive any negative publicity or breach any government regulations.	See it as a new opportunity to change the marketing mix and re-launch all products in re-usable or recyclable packaging.	

## Worksheet C: *Continued*

External influence affecting the business	Decision A	Decision B	Decision C	Reason for your decision
4.	Reduce production capacity saving labour costs, to cancel out the increase in VAT.	Become more competitive on price to try and prevent a drop in sales.	Find new ways of adding value to the product to help justify the price increase.	
5.	Put on hold plans for increasing production levels to reduce the amount of pollution.	Only work with ethical suppliers, who pay their workers fair wages and where they have good working conditions.	Ensure ingredients are sourced from Fairtrade suppliers.	
6.	Delay plans to borrow to expand into new foreign markets.	Cancel plans to borrow to expand into new foreign markets.	Look for alternative sources of finance such as issuing more shares.	
7.	Look for local suppliers in each country to supply all the ingredients. This may help to reduce costs.	Launch a new range of drinks for the local market in the countries where import tariffs have increased using all local ingredients.	Try to absorb the increase through cost reductions elsewhere, so prices do not need to be increased on the drinks sold.	

## Worksheet C: *Continued*

External influence affecting the business	Decision A	Decision B	Decision C	Reason for your decision
8.	Reduce the levels of sugar in their drinks in line with government regulations, and promote the new line without needing to increase the price or absorb the cost.	Keep it as it is and pass on the increase in price to customers, publicising why it has increased.	Absorb the increase in costs by reducing costs in other areas of the business to prevent a price increase.	
9.	Find a unique selling point to gain a competitive advantage.	Increase marketing spend promoting Fizzi Nation and the benefits its drinks bring, when the new competition launch.	Do nothing and hope that the loyal customer base Fizzi Nation have stay with them.	
10.	Pass on the additional cost to customers by increasing the selling price.	Absorb the increase in the cost of sugar so prices do not have to be raised and cut costs somewhere else	Experiment with substitute sugar products.	

## Worksheet D: Key terms

Key Term	What it means
Headquarters	The main location where a business operates from, usually where the key functional areas of the business coordinate from
Economic objectives	Targets that are linked to the economy that the government sets that they want to achieve such as low unemployment, stable inflation, economic growth
Economic policies	Policies and systems which government set on things like taxation, government budgets, interest rates, government spending.
Pressure groups	Organisations of likeminded people who put pressure on businesses and the government to change their policies
Government initiatives	Specific projects or agendas undertaken by governments to achieve specific aims and objectives
Globalisation	The process by which countries are connected with each other because of the trade of goods and services
Revenue	The amount a business earns from the sale of its products
Corporation Tax	Tax paid by businesses on the profits they make
Shareholder	A person or organisation who owns shares in a limited company
Recession	When the economy shrinks in size
Pressure group	Organisations of like-minded people who put pressure on businesses and the government to change their policies to reach a predetermined objective
VAT (Value Added Tax)	A tax added to the prices of some goods and service we buy
Stakeholder	An individual or group which has an interest in a business because they are affected by its activities and decisions
Host Country	The foreign country where a multinational sets up its operations
Interest rates	The cost to a person or business of borrowing money from a lender such as a bank
Inflation	The price increase of goods and services over time
Tariffs	A tax applied to the value of imported and exported goods

## Worksheet E: Individual response sheet

External influence affecting the business	Final decision Circle the one you have chosen	Justification Make sure you include positives and negatives of each decision and why you rejected the others
1. The government have increased the rate of corporation tax. This means less profit after tax for Fizzi Nation, so less money to put back into the business for growth. Current and potential shareholders might be discouraged from further investing with them.	<b>A</b>	<p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>
	<b>B</b>	
	<b>C</b>	
2. One of the countries Fizzi Nation operates in goes into recession and their economy is shrinking. As unemployment rises and consumers demand less, profits start to fall.	<b>A</b>	<p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>
	<b>B</b>	
	<b>C</b>	
3. Environmental groups are putting pressure on governments to pass laws, forcing businesses to reduce the amount of waste they create through packaging, and for more packaging to be recycled. Not all of Fizzi Nation's packaging can be recycled.	<b>A</b>	<p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>
	<b>B</b>	
	<b>C</b>	
4. The government increases VAT (Value Added Tax). This means the price of Fizzi Nation drinks go up which could lead to lower sales.	<b>A</b>	<p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>
	<b>B</b>	
	<b>C</b>	



## Worksheet E: *Continued*

External influence affecting the business	Final decision Circle the one you have chosen	Justification
5. There is increasing stakeholder conflict between profits and ethics in a number of countries where large businesses are operating. The issues raising concern include pollution, labour and fair trade.	<b>A</b>	.....
	<b>B</b>	.....
	<b>C</b>	.....
6. Interest rates have been increased to help manage inflation. This has meant borrowing has become more expensive for Fizzi Nation's expansion plans. Consumers have less disposable income as loans on houses increase.	<b>A</b>	.....
	<b>B</b>	.....
	<b>C</b>	.....
7. Tariffs have increased making it more expensive for Fizzi Nation to import ingredients they need. It also means they pay an increase in tariffs on the soft drinks that are exported to other countries.	<b>A</b>	.....
	<b>B</b>	.....
	<b>C</b>	.....
8. Like the UK government in 2016 a number of other countries have introduced a 'Sugar Tax' or similar legislation to reduce sugar levels in products. This is affecting manufacturers as the additional tax increases the cost of making some of their drinks.	<b>A</b>	.....
	<b>B</b>	.....
	<b>C</b>	.....

## Worksheet E: *Continued*

External influence affecting the business	Final decision Circle the one you have chosen	Justification
7. Tariffs have increased making it more expensive for Fizzi Nation to import ingredients they need. It also means they pay an increase in tariffs on the soft drinks that are exported to other countries. This could reduce their sales as drinks manufacturers in the host country might become more attractive.	<b>A</b>	..... ..... ..... .....
	<b>B</b>	
	<b>C</b>	
8. Like the UK government in 2016 a number of other countries have introduced a 'Sugar Tax' or similar legislation to reduce sugar levels in products. This is affecting manufacturers as the additional tax increases the cost of making some of their drinks.	<b>A</b>	..... ..... ..... .....
	<b>B</b>	
	<b>C</b>	
9. A new soft drink manufacturer has entered the market due to globalisation opportunities.	<b>A</b>	..... ..... ..... .....
	<b>B</b>	
	<b>C</b>	
10. There is a shortage of sugar beet due to changing weather patterns. This has increased the price of sugar, one of Fizzi Nation's essential ingredients.	<b>A</b>	..... ..... ..... .....
	<b>B</b>	
	<b>C</b>	

## Worksheet F: Teacher scoring sheet

Use this sheet in conjunction with the answers for Worksheet C.

Add the team names at the top of each column and record the revenue they scored for each scenario. **Weakest decisions** are awarded \$5, **suitable decisions** are awarded \$10 and the **strongest decision** is awarded \$15.

Scenario summary	Team: .....	Team: .....	Team: .....	Team: .....	Team: .....
1. The government have increased the rate of corporation tax.					
2. One of the countries Fizzi Nation operates in goes into recession and their economy is shrinking.					
3. Pressure groups for the environment are putting pressure on governments to pass laws, which means businesses have to reduce the amount of waste they create.					
4. The government increases VAT (Value Added Tax).					
5. There is increasing stakeholder conflict between profits and ethics in a number of countries where large businesses are operating.					

## Worksheet F: *Continued*

Scenario summary	Team: .....	Team: .....	Team: .....	Team: .....	Team: .....
6. Interest rates have been increased to help manage inflation.					
7. Tariffs have increased making it more expensive for Fizzi Nation to import ingredients they need to manufacture the drinks in the factories.					
8. Like the UK government in 2016 a number of other countries have introduced a 'Sugar Tax' or similar legislation to reduce sugar levels in products.					
9. A new soft drink's manufacturer has entered the market due to globalisation opportunities.					
10. There is a shortage of sugar beet due to changing weather patterns.					

## Worksheet A: Answers

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### Across

6. The process by which countries are connected with each other because of the trade of goods and services.  
*Globalisation*
8. The cost to a person or business of borrowing money from a lender such as a bank.  
*Interest rate*
9. Organisations of likeminded people who put pressure on businesses and the government to change their policies.  
*Pressure groups*
10. This stage is the peak of the business cycle.  
*Boom*

### Down

1. The rate at which one country's currency can be exchanged for that of another.  
*Exchange rates*
2. Tax paid by businesses on the profits they make  
*Corporation tax*
3. This is when the economy shrinks in size.  
*Recession*
4. Businesses should care for this when making decisions  
*Environment*
5. Making business decisions that are morally right  
*Ethical*
7. The price increase of goods and services over time  
*Inflation*

## Worksheet C: Answers

External influence affecting the business	Decision A	Decision B	Decision C
1. The government have increased the rate of corporation tax. This means less profit after tax for Fizzi Nation, so less money to put back into the business for growth. Current and potential shareholders might be discouraged from further investing with them.	This is probably the <b>strongest</b> decision if shareholders are discouraged from investing due to lower profits and therefore dividends. But if shareholders remain loyal and see the growth opportunities that could increase profit they may retain their shares and this could also attract potential shareholders.	This is a <b>suitable</b> decision, in that there is no risk in looking for alternative sources of finance to help grow the business if there is going to be less profit and they want to avoid increasing prices. However, if shareholders stayed loyal and potential shareholders could see potential growth opportunities this may not be needed at that point in time.	This is probably the <b>weakest</b> decision due to the risk of losing some customers to competitors. This would further reduce profit as sales fall. However, a judgement would need to be made on the extent to which the alternatives are a threat.
2. One of the countries Fizzi Nation operates in goes into recession and their economy is shrinking. As unemployment rises and consumers demand less, profits start to fall.	This is the <b>strongest</b> decision as a decline in economic activity and rising unemployment consumers will have less disposable income. This would provide an opportunity to reach out to loyal customers in an affordable way.	This is probably the <b>weakest</b> decision, simply because of the risk involved in changing the taste and quality of the products. Core customers that can afford to buy their usual soft drinks could be lost and those who need an alternative could switch to the value brand in Decision A keeping all customer needs satisfied.	This is a <b>suitable</b> decision, but only if the conditions are right. Increased marketing could be used to target specific groups of people whose incomes are less affected, but it could be used in conjunction with Decision A for raising awareness of a new value brand.
3. Environmental groups are putting pressure on governments to pass laws, forcing businesses to reduce the amount of waste they create through packaging, and for more packaging to be recycled. Not all of Fizzi Nation's packaging can be recycled.	This is the <b>strongest</b> decision in the short to medium term to prevent negative publicity for Fizzi Nation. The impact on them could be vast due to their well-known global branding.	This is the <b>weakest</b> decision because Fizzi Nation could end up having its factory closed in that country if government regulations are not followed.	This is a <b>suitable</b> decision, but for the long term and should be incorporated as part of their growth strategy for the next five years. This is because it will take longer to implement than Decision A and the damage that pressure groups could do in the interim could affect Fizzi Nation's reputation in the short term which would make it harder to implement this in the longer term.

## Worksheet C: Answers, continued

External influence affecting the business	Decision A	Decision B	Decision C
4. The government increases VAT (Value Added Tax). This means the price of Fizzi Nation drinks go up which could lead to lower sales.	This is probably the <b>weakest</b> decision because although to begin with increased prices will reduce sales and therefore less production will be needed, once the price drops again due to production cost savings, the demand will increase again.	This is a <b>suitable</b> decision as it means the increase in VAT is absorbed elsewhere in the business. This means Fizzi Nation remains competitive, but it will require them to watch their competitors closely to see how they react to the increase in VAT.	This is probably the <b>strongest</b> decision as value for money is what the customer would perceive this to be. For this to work it must be something that is economical, but that the customer sees the price increase from VAT as negligible.
5. There is increasing stakeholder conflict between profits and ethics in a number of countries where large businesses are operating. This could harm Fizzi Nation in the long term. The issues raising concern include pollution, labour and fair trade.	This is probably the <b>strongest</b> decision for immediate impact due to the local residents who live close to the factories and see first-hand the pollution from the factories.	This is probably the <b>weakest</b> decision, but only because by committing to use only Fairtrade suppliers, the working conditions and wages will be good. This is still a decision that needs to be included in any corporate strategy.	This is a <b>suitable</b> decision as Fizzi Nation can promote this as part of their marketing strategy. Those who care about ethical business will support this and it may gain new customers, but being ethical does increase costs. The positive reputation that comes from this will take time.
6. Interest rates have been increased to help manage inflation. This has meant borrowing has become more expensive for Fizzi Nation's expansion plans. Consumers have less disposable income as loans on houses increase.	This is a <b>suitable</b> decision, while alternative sources of finance are being investigated. It doesn't mean it won't happen but just delayed until a plan is worked out.	This is probably the <b>weakest</b> decision as interest rates can fluctuate so it would be better to delay then cancel.	This is probably the <b>strongest</b> decision and then if interest rates were to further increase this would not impact on Fizzi Nation. Issuing more shares also means there is no interest or capital to pay back to anyone.

## Worksheet C: Answers, continued

External influence affecting the business	Decision A	Decision B	Decision C
7. Tariffs have increased making it more expensive for Fizzi Nation to import ingredients they need. It also means they pay an increase in tariffs on the soft drinks that are exported to other countries. This could reduce their sales as drinks manufacturers in the host country might become more attractive.	This is probably the <b>weakest</b> decision simply because the quality of the products may suffer as a result.	This is a <b>suitable</b> decision as a new range of 'locally sourced' soft drinks, branded clearly from their main products, still carries the brand but differently so consumers will expect something else rather than a cheap substitute version.	This is probably the <b>strongest</b> decision simply because the costs can be absorbed elsewhere in the business, but not necessarily meaning cheaper suppliers, so price remains the same and the quality of the products are not compromised.
8. Like the UK government in 2016 a number of other countries have introduced a 'Sugar Tax' or similar legislation to reduce sugar levels in products. This is affecting manufacturers as the additional tax increases the cost of making some of their drinks.	This is probably the <b>strongest</b> decision as some consumers will see this an ethical choice from Fizzi Nation. They can continue with their full sugar versions but still provide an alternative without alienating their loyal customers.	This is probably the <b>weakest</b> decision as there is a risk that consumers will switch to alternative brands or alternative drinks lower in sugar which could affect sales.	This is a <b>suitable</b> decision as price remains the same and customers are happy, however there will be some who see no socially responsible decision being made.
9. A new soft drink manufacturer has entered the market due to globalisation opportunities.	This is a <b>suitable</b> decision as it will help to keep existing customers and attract new ones at a time when there is more choice.	This is probably the <b>strongest</b> decision so that customers are reminded of what they are already loyal to when the competition is launched. Keeping Fizzi Nation in their minds is important.	This is probably the <b>weakest</b> decision as it is the riskiest. Customers can be loyal but many are sensitive to other things such as price and product. Planning for a threat is essential to survival and success.
10. There is a shortage of sugar beet due to changing weather patterns. This has increased the price of sugar, one of Fizzi Nation's essential ingredients.	This is probably the <b>weakest</b> decision simply because of the risk of customers switching brands of drink, even to those who are also affected by the shortage but have absorbed the costs more effectively.	This is probably the <b>strongest</b> decision as customers are price sensitive and this will help to keep Fizzi Nation competitive on price with rivals.	This is probably a <b>suitable</b> decision as it provides an opportunity for product development without risking what is already being manufactured, so this could be a medium term solution.



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