

BUSINESS STUDIES DEPARTMENT - MODERN COLLEGE

Questions

1 (a) Define the term 'opportunity cost'. [2]

(b) Briefly explain how business decisions involve opportunity cost, using an appropriate example. [3]

2 (a) Define the term 'added value'. [2]

(b) Briefly explain two ways in which operations management decisions might add value to a product. [3]

3 (a) Explain why a business environment might be described as dynamic. [8]

(b) Discuss the view that the only purpose of private sector businesses is to make profit, not to pursue corporate responsibility objectives. [12]