

**Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.**

- 1** *Backyard Shoez* is a retail business located in Nairobi, Kenya. It sells a wide range of shoes, handbags and accessories for ladies only. *Backyard Shoez* has three shops in Nairobi. The shops are located in a busy shopping centre where there are other shoe shops.

(Source adapted from: <https://backyardshoez.co.ke/>)

- (a) (i) Which **one** of the following is a method of secondary market research?

(1)

Select **one** answer.

- A** Questionnaires
- B** Government reports
- C** Surveys
- D** Focus groups

- (ii) Which **one** of the following could be a financial objective for the owners of *Backyard Shoez*?

(1)

Select **one** answer.

- A** Personal satisfaction
- B** Increased production quality
- C** Increased market share
- D** Loyal employees

- (iii) Which **one** of the following is an external source of finance for the owner of a business?

(1)

Select **one** answer.

- A** Bank loan
- B** Retained profit
- C** Personal savings
- D** Selling assets

2 *Backyard Shoez* is now planning to sell shoes to men and children as well as ladies.

(a) State **one** fringe benefit that *Backyard Shoez* can offer its employees.

(1)

.....

.....

(b) State **one** benefit to *Backyard Shoez* of using off-the-job training.

(1)

.....

.....

(c) Explain **one** reason why many businesses have a human resource functional area.

(3)

.....

.....

.....

.....

.....

.....

.....

.....

.....

(d) Explain **one** method of above the line promotion a business could use.

(3)

.....

.....

.....

.....

.....

.....

.....

.....

.....

(e) Explain **one** way the product life cycle can be extended.

(3)

---

---

---

---

---

---

---

---

*Backyard Shoez* wants to motivate its employees. It is considering two options:

**Option 1:** bonus payments

**Option 2:** job enrichment.

(f) Justify which **one** of these two options *Backyard Shoez* should use.

(9)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

**(Total for Question 2 = 20 marks)**