General Notes on Marking

1. Teachers are strongly advised to conduct their own internal standardisation procedures using the marking scheme before the actual marking begins. After standardisation, teachers should adhere to the marking scheme to ensure a uniform standard of marking within the school.

2. The marking scheme may not exhaust all possible answers for each question. Teachers should exercise their professional discretion and judgment in accepting alternative answers that are not in the marking scheme, but are correct and well-reasoned.

3. In questions asking for a specified number of reasons or examples etc., and a student gives more than the required number, the extra answers should not be marked. For instance, in a question asking students to provide two examples, and a student gives three, only the first two should be marked.

4. The general guidelines for answers which are awarded 0 to 3 marks each are as follows:

0 marks	:	irrelevant or ambiguous answer
1 mark	:	relevant phrases containing key words that answer the question
2 / 3 marks	:	a relevant point or answer with a brief explanation of the concept/key words and/or illustration of how it is related to the given scenario

PAPER 1

SECTION A

Question No.	Key	Question No.	Key
1.	C (63%)	16.	A (72%)
2.	D (58%)	17.	D (60%)
3.	B (77%)	18.	B (39%)
4.	A (57%)	19.	A (43%)
5.	C (64%)	20.	D (93%)
6.	A (32%)	21.	B (74%)
7.	D (25%)	22.	D (66%)
8.	C (51%)	23.	C (34%)
9.	B (69%)	24.	D (75%)
10.	C (63%)	25.	B (56%)
11.	C (57%)	26.	A (74%)
12.	B (57%)	27.	B (62%)
13.	B (62%)	28.	D (19%)
14.	A (87%)	29.	A (59%)
15.	D (48%)	30.	C (89%)

Note: *Figures in brackets indicate the percentages of candidates choosing the correct answers.*

SECTION B   PART 1

QUESTION 1

2

(a)   Contributions:
- provide innovative products and services
- provide specialised products and services to cater for customers' needs
- provide support and services to large enterprises

(1 mark for each relevant contribution, max. 2 marks)

1

(b)   (i)   Management by objectives

4

(ii)   Advantages:
- subordinates have a better understanding of the objectives
- subordinates are motivated and more committed
- monitoring and control of work progress are more effective

(2 marks for each relevant advantage, max. 4 marks)

<u>7 marks</u>

QUESTION 2

2

(a)   The bank will assess the firm's ability to repay a loan by reviewing the liquidity of the firm.

1

2

(b)   – Consistency
- Chan's firm **should not** change the valuation method as the accounting treatment of items within each accounting period and from one period to another should be the same, unless a change in accounting treatment is necessary or will give a more accurate view of a business

<u>5 marks</u>

QUESTION 3

(a)   Bank overdraft:
- a kind of short-term loan
- the amount withdrawn from bank account is higher than the account balance

1

1

4

(b)   Reasons:
- readily available: no need to apply every time
- flexible repayment arrangements: payment can be made according to his financial position
- no interest charge if the amount is repaid before the payment due date

(2 marks for each relevant reason, max. 4 marks)

2

(c)   Financial needs:
- savings for marriage
- savings for education / training
- mortgage loan repayment

(1 mark for each relevant financial need, max. 2 marks)

<u>8 marks</u>

PART 2

QUESTION 4

(A)

(a)   Social factors:
–   population size / structure
(2 marks for each relevant social factor with explanation, max. 2 marks)

    2

Physical factors:
–   climate, infrastructure
(2 marks for each relevant physical factor with explanation, max. 2 marks)

    2

(4)

(B)

(b) (i)

Capital

2020		$	2020		$
March 31	Balance c/d	10 000	March 1	Bank	10 000

0.5   0.5

(1)

(ii)

Wendy
Trial Balance as at 31 March 2020

	Dr $	Cr $
Bank		200
Equipment	3 000	
Rent	4 000	
Sales		8 000
Purchases	6 700	
Trade receivables	4 500	
Capital		10 000
	18 200	18 200

0.5
0.5
0.5
0.5
0.5
0.5
0.5
0.5
0.5
0.5
(5)

10 marks

(A)

(a)   Joint venture   1

(b)   Advantages: 2
 - more funds and resources can be contributed by joint venturers
 - risk and liabilities can be shared among joint venturers
 - more expertise and technology can be pooled

(2 marks for each relevant advantage, max. 2 marks)

(c)   Difference: 2
 - a partnership operation has no definite time limit while a joint venture is project-based and will be terminated when the project is completed

(2 marks for each relevant difference, max. 2 marks)

     (5)

(B)

(d)

<div align="center">

Lucy

Income statement for the year ended 31 December 2019

</div>

	$	$	
Sales		790 000	0.5
Less: Returns inwards		4 000	0.5
		786 000	
Less: Cost of goods sold			
Opening inventory	10 000		0.5
Add: Purchases	400 000		0.5
Add: Carriage inwards	8 000		0.5
	418 000		
Less: Returns outwards	4 500	413 500	0.5
Gross profit		372 500	
Less: Expenses			
Carriage outwards	32 000		0.5
Discounts allowed	9 000		0.5
Other operating expenses	87 500	128 500	0.5
Net profit		244 000	0.5

     (5)

     10 marks

<div align="center">

END OF PAPER 1

</div>

SECTION A

QUESTION 1

Marks

	Transaction	Book of original entry	Account to be debited	Account to be credited	
e.g.	Sold toys on credit	Sales Journal	Trade receivables	Sales	
i)	Purchased toys in cash	(1) Cash Book	(2) Purchases	Cash	1
ii)	Returned office equipment to a credit supplier	(3) General Journal	Accounts payables	(4) Office equipment	1
iii)	Received a bill, to be settled in next financial year, for stationery purchased	(5) General Journal	(6) Stationery expenses	(7) Accrued stationery expenses	1.5
)	Issued a debit note for toys returned	(8) Returns Outwards Journal	(9) Trade payables	(10) Returns outwards	1.5
	Paid rent for owner's personal apartment by cheque	(11) Cash Book	(12) Drawings	Bank	1

(0.5 mark for each item

_____

6 mark

QUESTION 2

(a)

Kam Kee Manufacturing Company
Statement to calculate the cost to be capitalised for the equipment

	$
Purchase cost ($500 000 x 80%)	400 000
Installation cost	5 000
Testing fee after installation	2 000
Cost of the equipment to be capitalised	407 000

(b)(i)

Accumulated depreciation — machine

		$		$
0.5	Disposal — machine	153 540	Balance b/d (W1)	115 155
			Depreciation expense (W2)	38 385
		153 540		153 540

(ii)

Disposal — machine

		$		$
0.5	Machine	432 000	Accumulated depreciation — machine	153 540
			Insurance compensation receivable (W3)	194 922
			Loss on disposal	83 538
		432 000		432 000

W1:	Depreciation for 2018	= ($432 000 – $5 500) x 2 700/10 000	= $115 155
W2:	Depreciation for 2019	= ($432 000 – $5 500) x 900/10 000	= $38 385
W3:	Insurance compensation receivable	= ($432 000 – $153 540) x 0.7	= $194 922

QUESTION 3

(a) Number of units remaining unsold = (500 + 1 000) − (350 + 400) = 750 units

     0.5

Unit average cost of closing inventory:
= [(500 x $35) + $32 000] / 1 500 = $33/unit

Value of closing inventory as at 29 February 2020:
= (650 x $33) + (100 x $30) or (750 x $33) − (100 x $3) = $24 450

     1

     1.5

     (3)

(b)

Andy Company
Income statement for the month ended 29 February 2020 (extract)

	$	$	
Sales [(350 units x $45) + (400 units x $39)]		31 350	0.5
Less: Cost of goods sold			
Opening inventory	17 500		0.5
Add: Purchases	32 000		0.5
	49 500		
Less: Closing inventory	24 450	25 050	
Gross profit		6 300	0.5
			(2)

(c) No, as the inventory should be valued at the lower of cost and net realisable value.

     (1)

     __6 marks__

QUESTION 4

(a) Variable component of electricity expenses = ($9 800 − $2 600)/(12 000 − 3 000) units = $0.8/unit

     1

Fixed component of electricity expenses = $9 800 − ($0.8 x 12 000 units) or $2 600 − ($0.8 x 3 000 units)
= $200

     1
     (2)

     (2)

(b) Contribution margin per unit (Quarter 1): $9 − ($3 600 + 3 000) − ($6 000 + 3 000) − $0.8 = $5/unit

     (2)

(c) Breakeven point in quantity (Quarter 1): ($3 000 + $7 000 + $200)/$5 = 2 040 units

     __6 marks__

(a)

Statement to calculate the shareholders' funds as at 31 December 2019

	$	$
Ordinary share capital		900 000
Preference share capital		200 000
		1 100 000
General reserve		100 000
		1 200 000
Retained profits as at 1 January 2019	210 000	
Add: Net profit after tax	80 200	
	290 200	
Less: Dividend for 2019 ($13 500 + $8 000)	21 500	
Retained profit as at 31 December 2019		268 700
Shareholders' funds as at 31 December 2019		1 468 700

(b) (i) gearing ratio:

= (Non-current liabilities + Preference share capital) / (Non-current liabilities + Shareholders' funds) x 100

$$= \frac{(\$280\ 000 + \$200\ 000)}{(\$280\ 000 + \$1\ 468\ 700)} \times 100\%$$

= 27.45%

(ii) earnings per share:

= (Net profit after tax − Preference dividend) / Number of ordinary shares issued

$$= \frac{(\$80\ 200 - \$8\ 000)}{45\ 000}$$

= $1.60

(iii) dividend cover for ordinary shares:

= (Net profit after tax − Preference dividend) / Ordinary dividend

$$= \frac{(\$80\ 200 - \$8\ 000)}{\$13\ 500}$$

= 5.35 times

(c) Financing method:
- issue of ordinary shares

Explanation:
- this will lower the gearing ratio and the solvency of the company will be enhanced
- as there is no need to repay the issued ordinary share capital, the solvency of the company will not deteriorate

(1 mark for relevant explanation, max. 1 mark)

QUESTION 6

(a)

Realisation

2020		$	2020		$	$	
Jan 1			Jan 1				
Furniture		468 000	Bank: furniture ($468 000 x 70%)			327 600	0.5
Office equipment		180 000	Bank: inventory			10 000	0.5
Inventory		53 500	Loan from Tim			31 000	0.5
Trade receivables		36 500	Capital - Sum			30 500	0.5
Bank : scrap charge		23 400	Trade payables: discounts received			1 060	0.5
Bank : realisation expenses		6 800	($53 000 x 40% x 5%)				
			Loss on realisation:				
			Capital - Yip (1/6)		61 340		
			Capital - Tim (2/6)		122 680		
			Capital - Sum (3/6)		184 020	368 040	0.5
		768 200				768 200	

(0.5 marks noted beside Furniture, Office equipment, Inventory, Trade receivables, Bank : scrap charge, Bank : realisation expenses)

(6)

(b)

Capital

2020	Yip $	Tim $	Sum $	2020	Yip $	Tim $	Sum $	
Jan 1				Jan 1				
Current account	34 300			Balance b/d	80 000	190 000	280 000	0.5
Realisation			30 500	Current account		47 700	48 600	0.5
Realisation	61 340	122 680	184 020	Capital - Tim	7 820			
Capital - Yip		7 820	7 820	Capital - Sum	7 820			0.5
Bank		107 200	106 260					
	95 640	237 700	328 600		95 640	237 700	328 600	

(Marks: Current account 0.5, Realisation 0.5, Realisation 0.5, Capital - Yip 1, Bank 1)

(5)

11 marks

Reference:

Bank

2020		$	2020		$
Jan 1			Jan 1		
Realisation: furniture		327 600	Balance b/d		42 000
Realisation: inventory		10 000	Realisation: scrap charge		23 400
			Trade payables ($53 000 – $1 060)		51 940
			Realisation: realisation expenses		6 800
			Capital - Tim		107 200
			Capital - Sum		106 260
		337 600			337 600

QUESTION 7

(a)(i) Predetermined fixed manufacturing overheads absorbed per unit: $150 000/10 000 hours x 10 hours
= $150/unit

1

(ii) Selling price per unit: ($474 – $150)/(1– 0.4) = $540

1

(iii) Selling expenses per unit: ($474 – $150) x 10% = $32.4

1
(3)

(b)

Lucky Company
Income statement for the quarter ended 31 March 2020

	$	$	
Sales (700 units x $540)		378 000	0.5
Less: Cost of goods sold	441 600		1
Production cost [1 000 units x ($474 – $32.4)]	(132 480)		0.5
Less: Closing inventory [300 units x ($474 – $32.4)]	309 120		
Add: Under-absorbed fixed manufacturing overheads	8 000	(317 120)	1
Gross profit		60 880	0.5
Less: Selling expenses (700 units x $32.4)		(22 680)	0.5
Net profit		38 200	1
			(5)

(c) – under marginal costing system, fixed manufacturing overheads are expensed in full as a period   1
cost   1
– net profit would be lowered   1
– by $45 000 [(1 000 – 700) units x $150]   (3)

1

(d) Matching concept: links revenue with its related expenses and costs   1

– under absorption costing system, both fixed and variable production costs are included in the cost
of goods sold, which allows the matching of revenues with the total production costs when the
goods are sold   (2)

13 mar

Mr Lau
Income statement for the year ended 31 December 2019

	$	$	$	
Sales ($994 500 + $185 550) (W1)			1 180 050	1.5
Less: Returns inwards			24 000	0.5
			1 156 050	
Less: Cost of goods sold				
Opening inventory		40 000		0.5
Add: Purchases (W2)	858 800			1
Less: Returns outwards	16 500	842 300		0.5
		882 300		
Less: Closing inventory		65 000		0.5
		817 300		
Less: Inventory loss (Balancing figure)		46 600		
			770 700	
			385 350	0.5
Gross profit ($1 156 050 x 50% ÷ 150%)				
Add: Bad debts/Reduction in bad debts ($2 000 – $1 790) (W3)			210	0.5
			385 560	
Less: Expenses				
Operating expenses ($150 000 – $3 000)		147 000		0.5
Administrative expenses ($160 000 + $21 500 – $4 300 – $7 200)		170 000		1
Inventory loss [$46 600 x (1 – 75%)]		11 650		1
Loss on disposal of equipment ($25 000 – $16 425 – $2 100)		6 475		1
Depreciation expenses – Equipment [($1 250 000 – $517 075 – $8 575 + $36 200) x 30%]		228 165	563 290	1
Net loss			(177 730)	
				(10)

Mr Lau

Statement of financial position as at 31 December 2019

(b)

	$	$
Non-current assets		
Equipment ($1 250 000 – $25 000 + $36 200)		1 261 200
Less: Accumulated depreciation ($517 075 – $16 425 + $228 165)		728 815
		532 385
Current assets		
Inventory	65 000	
Prepaid expenses ($3 000 + $7 200)	10 200	
Trade receivables, net ($179 000 – $1 790)	177 210	
Insurance compensation receivable ($46 600 x 75%)	34 950	
Bank (W4)	107 500	
Cash	8 050	
	402 910	
Less: Current liabilities		
Trade payables	120 000	
Accounts payables ($36 200 – $2 100)	34 100	248 810
		781 195
Financed by		
Capital, balance as at 1 January 2019 (W5)		1 000 925
Less: Net loss		177 730
		823 195
Less: Drawings		42 000
		781 195

(8)

(B) Transactions:
- capital injection in cash
- obtaining of a bank loan
- receipts from trade receivables

(1 mark for each relevant transaction, max. 2 marks)

(2)

20 marks

Workings:

W1:

Trade receivables

2019	$	2019	$
Balance b/d	158 500	Bank	950 000
Sales: credit sales (Balancing figure)	994 500	Returns inwards	24 000
		Balance c/d	179 000
	1 153 000		1 153 000

Cash

2019	$	2019	$
Balance b/d	6 000	Bank	120 000
Sales: cash sales (Balancing figure)	185 550	Drawings ($3 500 x 12)	42 000
		Administrative expenses	21 500
		Balance c/d	8 050
	191 550		191 550

W2:

Trade payables

2019	$	2019	$
Bank	840 000	Balance b/d	117 700
Returns outwards	16 500	Purchases (balancing figure)	858 800
Balance c/d	120 000		
	976 500		976 500

W3:

Allowance for doubtful accounts

2019	$	2019	$
Bad debts	210	Balance b/d	2 000
Balance c/d	1 790		
	2 000		2 000

W4:

Bank

2019	$	2019	$
Balance b/d	187 500	Operating expenses	150 000
Cash	120 000	Administrative expenses	160 000
Trade receivables	950 000	Trade payables	840 000
		Balance c/d (Balancing figure)	107 500
	1 257 500		1 257 500

W5:

Statement of affairs as at 1 January 2019

	$	$
Equipment, net ($1 250 000 – $517 075)		732 925
Inventory		40 000
Trade receivables, net ($158 500 – $2 000)		156 500
Bank		187 500
Cash		6 000
		1 122 925
Trade payables	117 700	
Accrued administrative expenses	4 300	122 000
Capital		1 000 925

QUESTION 9

(A)(a)

Statement to calculate the bank account balance before updating as at 31 December 2019

	$	$	M
		259 465	0,
Bank statement balance	47 900		0,
Add: (2) Uncredited cheques	56 970		
(3) Bookkeeper's error on recording dishonoured cheque	1 795	106 665	
(4) Interest expense		366 130	0,
	23 615		
Less: (1) Stale cheque (#418226)	71 620		1
(1) Unpresented cheque (#471218)	9 600	104 835	0,
(1) Post-dated cheque (#473006)		261 295	1
Bank account balance			1
			(6,

(b)

The Journal

		Dr.	Cr.	
		$	$	
(ii)	Sales	3 480		0.5
	Suspense		3 480	1
(iii)	Suspense	1 220		1
	Returns outwards		835	0.5
	Returns inwards		385	0.5
(iv)	Accumulated depreciation – Equipment	15 000		1
	Depreciation expenses – Equipment		15 000	1
(v)	Purchases ($45 000 x 60%)	27 000		0.5
	Trade payables		27 000	1
	Trade receivables	36 000		1
	Sales [$27 000 ÷ (1 – 25%)]		36 000	0.5
(vi)	Bad debts	6 255		0.5
	Allowance for doubtful accounts		6 255	2

[($90 000 + $36 000) x 1% + ($29 800 x 3%) + ($10 000 + $56 970) x 10% – ($129 800 x 2%)]
($1 260 + $894 + $6 697 – $2 596)

(11)

(B)(c) Total cost of purchase:

(400 kg x $50) + (100 kg x $45) = $24 500   1

(d)(i) Total relevant cost:

(400 kg x $50) + (100 kg x $20) = $22 000   1

(d)(ii) Total material cost:

(400 kg x $50) + (100 kg x $44) = $24 400   1

(3)

20 mark

End of Paper 2A

Paper 2B
Business Management Module

QUESTION 1

Marks

6

Bases of market segmentation:
- demographic: e.g. age, income, family life cycle
- psychographic: e.g. social class, lifestyle, personality
- behavioural: e.g. benefits sought, occasions, frequency of visits

(2 marks for each relevant basis, max. 6 marks)

6 marks

QUESTION 2

Marks

2

(a) Gearing ratio measures:
- the proportion of long-term borrowed funds to total equity of a business
- the ability of a business to meet long-term liabilities

4

(b) Advantages:
- lower risk and financial burden: no repayment schedule and regular interest payment, dividend varies
- greater flexibility and control of the usage of funds
- collateral is not required

(2 marks for each relevant advantage, max. 4 marks)

6 marks

QUESTION 3

Marks

6

Step 1: set the performance standards (e.g. quantity of sportswear sold, number of complaints) and communicate with the salespersons

Step 2: measure actual performance of the salespersons and compare with the performance standards

Step 3: conduct appraisal interviews to provide feedback on appraisal results

(2 marks for each relevant step in correct sequence, max. 6 marks)

6 marks

Marks

QUESTION 4

2

(a)(i) Payback period:

$$[\ 2 + \frac{90\ 000}{150\ 000}\ ] = 2.6 \text{ years}$$

2

(ii) Methods:
- net present value method: to calculate the present value of future cash flows net of initial outlays
- internal rate of return method: to ascertain a discount rate at which the net present value of the project is zero

(2 mark for each relevant method, max. 2 marks)

2

(b) Market positioning:
- the company creates an image for its product and projects the image to its target customers' minds

6 marks

QUESTION 5

(a) Risk management strategies:
- risk avoidance: e.g. avoid setting up branches in those areas with intense competition
- risk reduction: e.g. collect information on customers' preferences for better formulation of marketing strategies
- risk assumption: e.g. set up a reserve to cover operating losses

(2 marks for each relevant strategy, max. 4 marks)

4

(b) Psychological factors:
- perception: how customers process the stimuli, e.g. smell and taste of coffee
- learning: changes in behavior through experience, e.g. preference for coffee if customers have had good experiences with coffee
- belief and attitude: e.g. feelings towards the brand of the café, belief that caffeine is harmful to health
- personality and self-concept: choose drinks which can reflect their personality, e.g. sociable, professional, etc.
- motivation: choose drinks to satisfy needs, e.g. when taking a break

(2 marks for each relevant factor, max. 4 marks)

4

(c) Ways:
- set up a customer relationship management system for formulating personalised marketing tactics
- launch membership scheme: members can enjoy privileges, e.g. discounts, point system for gifts
- provide add-on services: e.g. free wifi

(2 marks for each relevant way, max. 4 marks)

4

(d) Factors:
- lead time: the longer the lead time, the higher the re-order level
- safety stock: the higher the level of safety stock, the higher the re-order level

(2 marks for each relevant factor, max. 2 marks)

2

(e) Internal communication programmes:
- mentorship programmes
- induction programmes/orientation programme
- social gatherings

(2 marks for each relevant programme, max. 4 marks)

4

_____

18 marks

QUESTION 6

<div align="right">Marks</div>

(a) Trade payables turnover:

$18 346 500/$1 089 400

= 16.84 times

<div align="right">2</div>

(b) Ways:
- Trade payables: delay payments to trade creditors
- Trade receivables: tighten credit policy, e.g. shortening credit period, offering discounts to encourage early repayment
- Cash and bank: match the timing and amount of cash inflows and outflows, obtain short-term loans, encourage cash sales
- Inventory: use marketing tactics to speed up sales/improve inventory control

(2 marks for each relevant way, max. 6 marks)

<div align="right">6</div>

(c) Data collection methods:
- qualitative research: e.g. interviews, focus group interviews
- survey research: e.g. questionnaires
- observational research: e.g. mystery shoppers, on-site observation

(2 marks for each relevant method, max. 4 marks)

<div align="right">4</div>

(d)(i) Reasons:
- more systematic to teach concepts, principles and theories
- minimises disruption to normal working environment
- less stressful learning environment enhances learning effectiveness

(2 marks for each relevant reason, max. 4 marks)

<div align="right">4</div>

(ii) Off-the-job training methods:
- lecturing/classroom training: e.g. to introduce product knowledge
- programmed learning: e.g. self-learning via online platforms, books or videos
- role play: e.g. enhancing communication skills to deal with customers' complaints
- case study: e.g. using cases to illustrate the handling methods of different scenarios in the workplace

(2 marks for each relevant method, max. 2 marks)

<div align="right">2</div>

<div align="right">18 marks</div>

SECTION C

QUESTION 7

(a) Maturity stage:

	Marketing mix strategy
Product	— add new products features/modify the products — diversify brand and models
Price	— set competitive pricing — offer discounts with old products
Place	— build more intensive distribution network — expand the market reach
Promotion	— stress brand differences/unique features — increase advertising and sales promotion

(3 marks for each relevant element of marketing mix, max. 10 marks)

(b)

Variance	Way
Unfavourable material variance	the actual price of material is higher than budgeted — source cheaper materials — buy materials in larger quantities to obtain a higher trade discount the actual usage of material is higher than budgeted — provide more training to reduce wastage — apply appropriate control standards
Unfavourable labour variance	the actual wage rate is higher than budgeted — better planning on the production schedule to ensure sufficient labour supply — outsource part of the production to other regions with lower wage rates the actual labour efficiency is lower than budgeted — provide more training to enhance workers' efficiency — automation

(3 marks for each relevant way, max. 5 marks for each variance)

QUESTION 8

(a) Maslow's Hierarchy of Needs Theory:

Level of needs	Way
Physiological needs	offer reasonable salary and sufficient rest time
Safety needs	offer safe working environment/longer term employment contract
Social needs	organise social activities to enhance communication among colleagues
Esteem/ego needs	show appreciation, recognition and respect
Self-actualisation needs	provide challenging jobs, career advancement and self-development opportunities

(2 marks for each relevant way for each level, max. 10 marks)

10

(b) Ways:
- intangibility: e.g. using tangible clues and physical evidence to enhance visibility of service standards, such as maintaining stylists' fashionable look, showing photos with attractive hair styles
- heterogeneity: e.g. using standardised procedures for serving customers to maintain service consistency
- perishability: e.g. hiring part-time stylists during peak hours; establishing a reservation system
- inseparability: e.g. providing training to hair stylists to improve their service quality and manners

(3 marks for each characteristic with relevant explanation, max. 10 marks)

10

20 marks

END OF PAPER 2B