

**Question 5**

Read the information supplied and answer the question which follows.



In 2015 a Slovakian company AeroMobil revealed its prototype of the AeroMobil 3.0 – a flying car. It is a road-ready vehicle with foldable wings. It can navigate both city traffic and airspace.

*Source: Forbes Magazine, March 2015*

- (A) Describe the stages in the new product development process up to **and including** prototype development. Refer to the AeroMobil 3.0 vehicle in your answer. (25 marks)
- (B) Explain the factors a business should consider when designing a product. (15 marks)
- (C) (i) Outline the main sections contained in a business plan.  
 (ii) Explain the importance of a business plan for **two** different stakeholders. (20 marks)
- (60 marks)**

**Managing/Business in Action**

**Question 5**

- (A) Read the information supplied and answer the question which follows.



*Supermac's is an Irish fast food franchise which was set up in Ballinasloe 40 years ago by Pat McDonagh. In May 2017 Supermac's took home the award for "Franchise of the Year" at the Irish Franchise Awards.*

*Source: www.hospitalityireland.com*

- Outline the advantages **and** disadvantages for a business in the fast food sector of choosing franchising **as a method of business expansion**. (20 marks)
- (B) Draft a business letter, using today's date, from Phoenix Risk Management Ltd to Ricardo's Burgers Ltd, a fast food retailer. In your letter identify the main types of insurance Ricardo's Burgers Ltd should have **and** outline ways in which it could minimise business risks. Use fictitious names and addresses. (25 marks)
- (C) Discuss the factors a business should consider before changing from a batch to a mass (flow) method of production. (15 marks)
- (60 marks)**

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(C) Read the information supplied and answer the question which follows.

Having been made redundant, Lia O'Brien has decided to set up her own enterprise manufacturing individually designed disposable tableware and paper cups for small coffee shops and restaurants. She recognises, however, that having an idea and having the will to succeed will not be enough to ensure success.

Discuss the key issues Lia will have to address before setting up her business enterprise. (15 marks)

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(A) Read the information supplied and answer the questions which follow.

Sarah Fleming is a wedding dress designer and has worked for over 20 years in the bridal and clothing industry. She specialises in creating unique wedding dresses with an emphasis on personal service. Business is good and Sarah has applied for a bank loan of €10,000 to finance expansion.

- (i) Name the type of production process used by Sarah.
- (ii) Outline **two** challenges for Sarah of this type of production process.
- (iii) Discuss **two** implications for Sarah of changing to another type of production process. (25 marks)

(B) Outline **three** factors that Sarah's bank may consider when assessing her bank loan application. (15 marks)

- (C) (i) Explain the term 'short-term finance'.
  - (ii) Outline **two** sources of short-term finance Sarah may consider to meet her working capital needs. (20 marks)
- (60 marks)

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(C) Discuss **three** challenges facing business start-ups. (15 marks)

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*Zac Computing Ltd, an innovative new technology business, considers its business plan to be an essential document in the context of a business start-up and future growth.*

- (i) Explain the term "business plan".
- (ii) Evaluate the importance of a business plan to an innovative new technology business. (20 marks)

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(A) Discuss **two** possible challenges associated with starting a new business. (10 marks)

Read the information supplied below and answer the questions which follow.

*Marie Nolan is the owner of 'Marie's Pizzas' a successful pizza restaurant with a home-delivery service. Demand for take-aways has increased, as more people are eating at home due to the economic downturn. Marie is planning to expand her business through franchising and her accountant recommends that a business plan should be prepared before going ahead.*

- (A) Evaluate franchising (benefits and risks) as a method of expansion for the Pizza business. (20 marks)
- (B) Outline **two** benefits to 'Marie's Pizzas' of preparing a business plan. (10 marks)
- (C) (i) Discuss the factors that should be considered when choosing between different sources of finance.  
(ii) Analyse **two** appropriate sources of finance for acquiring an additional delivery van at 'Marie's Pizzas'. (30 marks)
- (60 marks)**

- (A) (i) What is a Business Plan?  
(ii) Explain its role in business start ups. (20 marks)

### Question 6

*Michael Kelly is twenty nine years old and is a graduate with an engineering degree. He has been working in the area of Research and Development in a large transnational company since graduation. He has a desire to work for himself and feels that the time is right to form his own business in his home town producing electronic parts for domestic appliances. He has asked you to help him in writing his business plan.*

- (A) Explain the importance of a Business Plan. (20 marks)
- (B) Draft a Business Plan for Michael Kelly's venture under five main headings. State relevant assumptions where necessary. (40 marks)

