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每題另起新頁作答。
Start each question on a new page.

(a) Patrick is the nominal partner in this partnership.

(b) First of all, the first contribution is that the nominal partner provides ^(valuable) advice related long-term development of the partnership. For example, the nominal ^{to} partner ^(may) help the partnership to set up a specific, measurable, attainable and time-bound goals.

Secondly, another contribution is that the nominal partner may help build up loyal customers and increase the market share ^(for the partnership). For example, the nominal partner ^(hence) may have a good interpersonal relationship and he or she may persuade his or her friends to buy goods and services in this partnership.

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(a)i Sales journal

(a)ii Returns towards journal

(a)iii Cash book

(b)i Trade receivable account

(b)ii Salaries account

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(a). let $\$X$ be the money that Tom has to deposit today.

$$\$X \cdot (1 + 2\%)^3 = \$3,000,000 \times 30\%$$

$$X = \$848,090 \text{ (round to the nearest dollar)}$$

Thus, Tom has to deposit $\$848,090$ today.

(b). I would advise him to invest in government bonds. First of all, government bonds involve a lower risk than the ordinary shares do. Since Tom needs the amount three years later for the down payment on the flat, it is more safe and less risky for him to invest in government bonds. (has a lower risk tolerance level relatively)

Invest in government bonds. Secondly, the liquidity of bonds is higher than ordinary shares. Since bonds have a maturity date, it is more safe for him to invest in government bonds because he could choose a government bond with a maturity date within three years. However, ordinary shares does not have a maturity date.

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Start each question on a new page.

| 6(c) Sunshine Department Store | |
|--|----------------------|
| Income Statement for the year ended 31 December 2013 | |
| | \$ |
| Sales | 268,000 |
| less: Returns towards | (2,000) |
| | <u>266,000</u> |
| less: Cost of goods sold | |
| Opening Inventory | 80,000 |
| Add: Purchases | <u>120,000</u> |
| | 200,000 |
| Add: Carriage towards | <u>9,000</u> |
| | 209,000 |
| less: Closing Inventory | (60,000) |
| Gross Profit | <u>(149,000)</u> |
| | 117,000 |
| less: Other expenses | |
| Rent and rates | 48,000 |
| Sundry expense | <u>30,000</u> |
| | (78,000) |
| Net Profit | <u><u>39,000</u></u> |

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Comments

The candidate was able to demonstrate comprehensive knowledge and understanding of business and accounting concepts and was able to apply this knowledge and these concepts in tackling business problems in unfamiliar case situations.

In Question 1, the nominal partner was correctly named and one of his contributions to the partnership was stated. In Question 2, the importance of conceptual skills was well explained from the perspective of the job duties and requirements of a general manager. The functions of a marketing department were also briefly explained. In Question 3, most of the books of original entry and both examples of real and nominal accounts were correctly named. In Question 4, the amount of deposit was correctly calculated and the choice of investment in government bonds was supported by the risk level involved. In Question 6, the income statement was correctly presented and the problems of unity of command were well explained with reference to the case contents.

The answers provided by the candidate were comprehensive, logical and showed very good analytical skills and evaluation of different business scenarios. He/she was also able to communicate ideas, opinions and suggestions in a logical and coherent manner with appropriate business terminology. This piece of work is of Level 5 in the HKDSE reporting scale.



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b) Sales ledger control.

| | (\$) | | (\$) |
|--------------|----------------|--|----------------|
| balance b/d | 399700 | returns inwards | 23280 |
| credit sales | 4392400 | Bank - collections from credit customers | 4137400 |
| | | Bad debts | 36000 |
| | | Balance c/d | 595420 |
| | <u>4792100</u> | | <u>4792100</u> |

b) The Journal

| | Dr (\$) | Cr (\$) |
|---|---------|---------|
| 2013 | | |
| Dec 31 Allowance for doubtful debts $(\$38000 - \$595420 \times 6\%)$ | 2274.8 | |
| Trade receivables | | 2274.8 |

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2a) depreciation of year 2011: $\frac{\$240000 - 4000}{10}$
= \$23600.

depreciation of year 2012: $\$23600 + \frac{\$180000}{9}$
= \$43600.

depreciation of year 2013: $\$23600 \times \left(\frac{6}{12}\right) + \left(\frac{\$180000}{9}\right) \left(\frac{6}{12}\right)$
= \$11800 + 10000
= \$21800.

b) The Journal

Dr (\$) Cr (\$)

2013

| | | |
|---------------------------------|--------|--------|
| Jun 30 Accumulated depreciation | 89000 | |
| Loss on disposal | 331000 | |
| Machine | | 420000 |
| Oct 15 Accrued revenue | 210000 | |
| Insurance compensation | | 210000 |

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- a) semi-variable cost
- b) incremental cost
- c) opportunity cost
- d) fixed cost.

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Start each question on a new page.

$$4a) \text{ unit contribution of DVD} = \$150 - \$30$$

$$= \$120$$

$$\text{unit contribution of Donkey kits} = \$600 - 125$$

$$= \$475$$

sales quantity in 2014 at the breakeven point =

$$\text{DVD} = \frac{\$860000 - \frac{27000}{30000}}{\$120}$$

$$= 5972 \text{ units.}$$

$$\text{Donkey kit} = \frac{\$860000 - \frac{27000}{20000}}{475}$$

$$= 302 \text{ units.}$$

$$b) \text{ contribution margin} = \$600 - (\$125 + 75)$$

$$= \$400$$

$$\text{breakeven point of sales dollars} = \$160000 \div \left(\frac{\$400}{\$600} \right)$$

$$= \$240000$$

$$\text{margin of safety in sales dollars} = \$6250 \times 600 - 240000$$

$$= \$3510000$$

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Start each question on a new page.

a) statement to calculate the partnership's adjusted net profit for the year ended 31 December 2013.

| | | |
|--|-------|---------------|
| net profit for the year | (\$) | 165000 |
| <u>Add</u> partners' salary - Abby | | <u>20000</u> |
| | | 185000 |
| <u>less</u> interest on 9% loan ($\$280000 \times 0.09 = 4$) | 6300 | |
| sales overstated (ii) ($\$20000 - 20000 \times 0.8$) | 4000 | |
| closing inventory (if goods accepted by customers ($\frac{\$20000}{1.25} \times 0.8$)) | 12800 | (23100) |
| <u>adjusted net profit</u> | | <u>161900</u> |

| | | |
|---|-------|--------------|
| b) <u>adjusted net profit</u> | (\$) | 161900 |
| <u>Add</u> interest on drawings - Abby ($\$18000 \times 10\% \times \frac{10}{12}$) | 1500 | |
| - Bobby ($\$12000 \times 10\% \times \frac{4}{12}$) | 400 | <u>1900</u> |
| | | 163800 |
| <u>less</u> interest on capital - Abby ($\$150000 \times 8\%$) | 12000 | |
| - Bobby ($\$300000 \times 8\%$) | 24000 | |
| Salary - Abby | 60000 | (96000) |
| | | <u>67800</u> |
| profit share - Abby ($\frac{2}{5}$) | 27120 | |
| - Bobby ($\frac{3}{5}$) | 40680 | <u>67800</u> |

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| c) | | Current | | | |
|----------------------|--------------|---------------|---------------------|--------------|---------------|
| | Abby (\$) | Bobby (\$) | | Abby (\$) | Bobby (\$) |
| Balance b/d | 43000 | — | Balance b/d | — | 27000 |
| drawings | 18000 | 12000 | Interest on capital | 12000 | 24000 |
| Interest on drawings | 1500 | 400 | profit shared | 27120 | 40680 |
| balance c/d | <u>36620</u> | <u>79280</u> | Salary | <u>60000</u> | — |
| | <u>99120</u> | <u>91680</u> | | <u>99120</u> | <u>91680</u> |

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$$a) W1 = \frac{(80000 + 90000) / 2}{\text{net sales}} \times 12 = 2$$

$$\text{net sales} = \frac{80000 + 90000}{2} \times \frac{12}{2}$$

$$= \$510000$$

$$W2: \text{net purchases} = ((32000 + 18000) / 2) \times 9$$

$$= \$225000$$

Peter

Income statement for the year ended 31 December 2013

(\$) (\$) (\$)

Net sales 510000

Less costs of goods sold

Opening inventory 75000

Add net purchases 225000

300000

Less closing inventory (65000)

235000

Less inventory loss (31000) (204000)

Gross profit 306000

Less advertising expenses 8000

Rental expenses 37200

Salaries 144000

Inventory loss 31000

Depreciation (\$180000 - \$180000 × 0.2) × 0.2 28800 (249000)

Net profit 57000

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Start each question on a new page.

W3: calculation of the inventory loss:

| | (\$) | (\$) |
|---|------|---------------------|
| Inventory as at 1 January 2013 | | 75000 |
| Add purchases | | <u>225000</u> |
| | | 300000 |
| Less cost of sales ($\$510000 \times (1-60\%)$) | | <u>(204000)</u> |
| | | 96000 |
| Less inventory as at 31 December 2013 | | <u>(65000)</u> |
| Inventory loss | | <u><u>31000</u></u> |

b) Different accounting policies may be used by different business. They are less usefulness when comparing accounting ratios between them.

Some qualitative measurements are not included in the accounting ratios, such as the quality of the goods, business' goodwill. Only quantitative measurements are reflected in the financial analysis.

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8a) With a reference to materiality, the accounting treatment is correct. The effect of purchasing rubbish bin would not ^{have large} influence the decision-making by the external stakeholders or managers. As the cost of rubbish bin is relatively small, it should be treated as expenses instead of non-current assets.

b) Windy Company Ltd.

Income statement for the year ended 31 December 2013

| | (\$) | (\$) | (\$) |
|--|--------|----------|-----------|
| Sales (\$1950000 - 38000) | | | 1912000 |
| Less costs of goods sold (\$1220000 + 23600 + 19800) | | | (1263400) |
| Gross profit | | | 648600 |
| Less administrative expenses (\$276000 + 182000) | 458000 | | |
| finance cost | 24000 | | |
| selling & distributing expenses | 168400 | (650400) | |
| net loss | | | (1800) |
| Add retained profit b/d. | | | 566000 |
| | | | 564200 |
| Less transfer to general reserve | | (500000) | |
| | | | 64200 |

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| Windy Ltd | | |
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| Statement of financial position as at 31 December 2013 | | |
| | (\$) | (\$) |
| <u>Non-current assets</u> | | |
| Equipment, net (\$3769000 - (630000 + 182000)) | | 2957000 |
| <u>Current assets</u> | | |
| Closing inventory (\$253200 - 19800) | 233400 | |
| Trade receivables (\$381600 - 38000) | 343600 | |
| Cash at bank (\$5126400 - 1200000) | 3926400 | |
| | 4503400 | |
| <u>Less current liabilities</u> | | |
| Trade payables (\$363100 + 23600) | (386700) | |
| Net current assets | | 4116700 |
| | | <u>7073700</u> |
| <u>Equity</u> | | |
| Capital & reserve | | |
| \$5 ordinary shares (\$1500000 + 3000000) | | 4500000 |
| Share premium (\$209500 + 1800000) | | 2009500 |
| General reserve | | 500000 |
| Retained profit c/f | | 64200 |
| | | <u>7073700</u> |

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c) The profitability will decrease. As the limited company has to pay debenture interest regularly, so the net profit ratio will decrease as net profit decrease. However, issuing ordinary share, limited companies have no obligation to distribute dividend.

The solvency of the company will decrease if the company issued debentures as the debenture is a non-current liability. The issuing will raise the gearing ratio, as $\text{gearing ratio} = \frac{\text{non-current liabilities} + \text{preference share}}{\text{non-current liabilities} + \text{shareholders' fund}}$, which will lower the solvency.

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Comments

The candidate demonstrated comprehensive knowledge and understanding of the accounting concepts covered by the syllabus. He/she was able to communicate ideas effectively in a logical and coherent manner with appropriate use of accounting terminology.

In the practical questions, the candidate demonstrated a good ability to apply his/her knowledge towards solving many problems in unfamiliar situations. The candidate was fully aware of the accounting treatments and adjustments required for Questions 1, 2 and 5. The financial statements were properly drawn up in Questions 6 and 8. Costing Questions 4 and 7, which demanded synthesis and evaluation skills, were well answered.

In answering the theoretical questions, the candidate was able to communicate his/her arguments effectively. In Questions 6(b), 7(b), 8(a) and 8(c), the candidate was able to give appropriate points or explanations for the issues relating to limitations of accounting ratios, predetermined overhead rate, materiality principle and the effects on profitability and solvency from the issue of debentures.

In summary, the answers provided by the candidate were comprehensive and logical, and demonstrated very good analytical skills and evaluation of various accounting topics. This piece of work is of Level 5 in the HKDSE reporting scale.

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First, it is the property insurance.

For example, the restaurant can buy a fire insurance to compensate the loss ~~of~~ or damage of its property, e.g.: kitchen, ^{utensils} cashier, etc. due to a fire accident. Upon claiming to the insurance company, compensation will be granted to it to cover its financial loss.

Second, it is the liability insurance.

For example, ~~it~~ the restaurant can buy a public liability insurance. In case of some customers ^{who} get food poisoning after ~~to~~ dining there, the insurance company will ~~not~~ ~~pay~~ pay compensation to the affected customers for their medical expenses.

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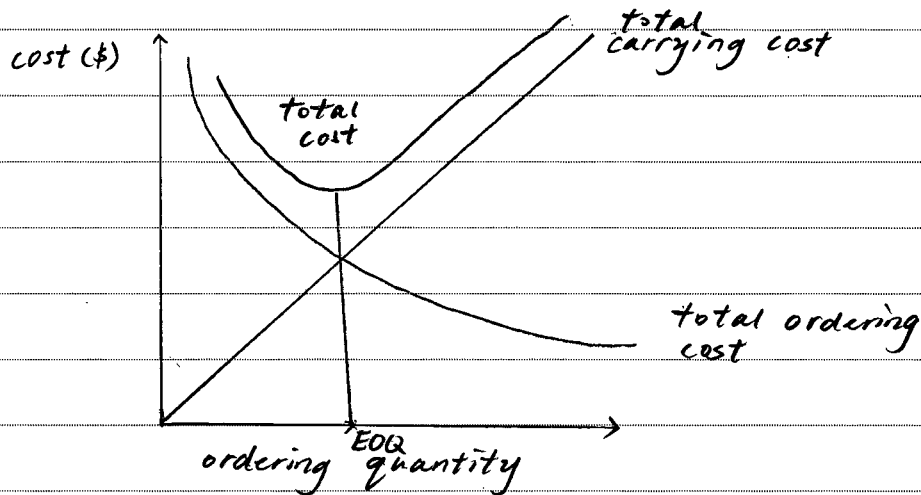
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(a)



The Economic Order Quantity of a product is when the ~~two~~ lines of total carrying cost and total ordering cost intersects. At that point, the ordering cost is of optimal level.

(b) re-order level of the product

$$= \frac{7200}{360} \times 8$$
$$= 160 \text{ units}$$

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The three elements are effort, performance and rewards.

The theory suggest that it is wise to make employees know and understand that by making good effort, e.g. taking duties wholeheartedly and accurately; will ~~not~~ bring good performance, e.g. helping the firm to gain \$100000 in an investment project.;

The outstanding performance will then be recognized and appreciated by supervisors and managers and bring the subordinates some rewards. It may be monetary rewards like bonus; or ~~non~~ ~~extrinsic~~ intrinsic rewards like praising and the chance to take ^{on} more important tasks. These can fulfil the needs of subordinates to give sense of satisfaction.

By knowing the interrelationship between the above 3 elements, subordinates are likely to be motivated to work harder at work for the company.

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First, it is random sampling, which is probability sampling. Everyone in the targeted population will have equal chance to be selected to involve in the marketing research, most like by filling in some questionnaires or answering survey questions. For example, randomly pick 3000 respondents by computer among the whole population of HK.

Second, it is convenience sampling, which is non-probability sampling. The market research conductor pick respondents of which is near them or easy to contact. For example, a market research conducted by a tutorial school, KGE, give out questionnaires to its students ^{at the reception} to ~~the~~ research which ^{chain} tutorial centre in Hong Kong do students like most.

Third, it is stratified sampling, which is probability sampling. The population is divided into various stratum by their characteristics. e.g. 10 years old or below; 11-20 years old; 21-30 years old, and so on. Then a ^{certain} ~~fixed~~ no. of people will be chosen from each stratum based on proportion to answer survey or do questionnaires.

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First, it is the mark-up.

By using skimming pricing strategy, the new product is launched with a high mark-up^{at first}, let say 70%, contributing to its relatively high price when compare to the same new product launched under a penetration pricing strategy which may have a mark-up of let say 20% only, just to cover its cost.

Second, it is the rationale behind the pricing.

For the new product using skimming pricing strategy, the most common aim is to recover the investment cost of development and commercialization of the product. While ~~the~~^{the aim of} a new product launched based on penetration pricing strategy may be to create public awareness by creating an economical image temporarily when first launch to attract new customers to try the product.

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(a) First, it is to do more promotion by ^{door-to-door selling and} offer trade discounts. Since Grassland is facing "keen competition and aggressive competitors", it have to first convince department stores and specialty stores' sourcing managers that their bedding products are better than others. To achieve this, Grassland can send salesperson with best selling skills in the firm to reach different department stores and specialty stores to introduce them with their products. It ~~is to~~ ^{can} be accompany by giving more trade discounts for bulk purchase to attract them to buy more of the products.

Second, it is to diversify its products types.

Grassland can develop more bedding products, e.g. different patterns of cushion covers, different sizes of cushion, etc. By offering more types of products, the department stores and specialty stores will probably find it convenient to obtain ~~different~~ abundant types of bedding products by only approaching a wholesaler. Which ~~can~~ ^{may} reduce their ordering cost. ^{and} ~~A time~~

Then they are likely to purchase more of its products out of convenience.

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16) First, it is simple ranking.

It ~~is~~ ^{can be} done by ranking the sales volume merchandisers gain for the company each month. Since sales volume is measurable and easy to detect (by computer system), it is very convenient for managers to ~~the~~ ^{get} know of the ^{sales} performance made by each merchandisers which can facilitate them to take corrective actions like discussing the matter with those ~~of~~ ^{rank} among the lowest and supervisor them on how to do better.

Second, it is management by objectives.

Supervisors can collectively set sales volume or other specific goals with merchandisers. And then regularly meet them to discuss their performance and give feedback. This can monitor the performance of ~~sub~~ merchandisers periodically.

17) First, it is the step: select and design training programs.

For example, suppose the identified training needs is that merchandisers don't know much about company's products so that they can't implement that duties effectively. The firm

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can select among these 3 training methods, classroom teaching, program learning and simulated training. As different merchandisers may have different learning efficiency, it is better to choose program learning ~~to~~ to train them about the details of its bedding products.

The next step is implementing the training plan.

The IT department have to design a software, e.g. a website for merchandisers learners. The website may include some tables, leaflets, videos introducing and explaining the products with many graphics. From time to time, some MC, ~~MC~~ ^{questions}, closed ended questions will pop up the screen to ask for the details of products, e.g. the size, colours: The firm has to make sure merchandisers finish the program ~~in~~ ^{within} a certain period.

The next step is monitoring the training results.

This can be done by ~~comparing~~ ^{comparing} the sales volume after the training with that before the training to see if there is any improve; Questionnaires can be given to merchandisers to ask for their opinions. If there is still ~~no~~ ^{no} progress, the firm may have to devise other training programs.

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(a) First, it is to do inventory level control.

Since inventory is not that liquid when compare with other current assets, too much idling inventory ~~will~~ lower the working capital available. And may have problems repaying short-term obligations. Thus the firm has to re-determine the no./ amount of inventory of its best products it should keep to both meeting market demands while not ~~also~~ trying too much money ~~idling~~ idling inventory.

Second, it is to stricken its collection policy.

For example, it can shorten the collection period ~~to~~ and provide more cash discounts to creditors so as to encourage early payment. This can speed up cash inflow so as to increase the level of current assets in the firm.

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(a) ^{are} ~~may~~ likely to be more focus on the service quantity. And may ask for the details of reasons for delay because they want their cargo to be delivered to destination place on time so as not to upset their own customers.

1st First, it is the great reach of the internet. For example, by placing ads on facebook; youtube, the ads can be viewed by all people as long as they can go online. The reach of internet is cross-broader, which helps raise potential customers' awareness, then subsequently boost sales.

Second, it is the high efficiency. By make some posts on the Airway's website, the Airway can basically make amendments to the ads or details of its services anytime. For example, if the other budget airline offer 70% of their tickets in Easter; the Petal ~~air~~ Airway can response to those competitors by swiftly posing similar promotional ads on its websites. This helps its to response quickly to the ^{macro} environment and capture more profits.

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1) First, there is risk of not being able to obtain same loans in the future in case of economic changes. Since purchasing airplanes is very expensive. A lot of financial resources are needed over quite a long period of time given that many Airways purchase airplanes by long-term leasing. If there is a sudden economic crisis, the lenders may no longer be willing to grant such large amount of loan to the airway. Then it has to face the problem of lacking money to continue lease its airplanes, which may lead to stoppage in its operation.

Second, there is the higher interest rate.

Short-term loans are not likely to be secured with collateral. To compensate the risk of not being able to collect such large amount of money back, the banks are likely to set high interest rates for the loan even though they have good relationship with Petal Airways now. We should notice that banks ~~always~~ ^{often} emphasize profit maximization prior to 'friendship' with clients. Thus, the Airway has to pay higher interest rate when compared to using a long-term bank loan.

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- (a) First, it is receiving stimulus.

For example, a customer see a TV ads saying that there are facial treatment which can remove wrinkles and whitening skin. The ads act as a stimulus to the consumers' mind.

Then, it is need recognition.

After watching the TV ads, the customers may somehow look into mirror, realizing her face have some wrinkles and her skin colour is darkening due to ageing. She will then remember the service mention in the ads and likely to think that she ~~need~~ needs that service to improve her appearance.

Third, it is search for alternatives.

Potential customers will search for beauty treatment centre across Hong Kong to identify some alternatives.

Fourth, it is evaluate and select an alternative. As the question says, consumers are becoming more

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Cont. Careful when buying beauty and skin care services, they are likely to evaluate ~~the~~ different ~~to~~ alternatives with great care. They may see if the store is licensed, if the store has ~~seen~~ any accidents before, the reviews or comments from other customers, the price, the location and many other factors to make their final ~~con~~ ^{best} decision. For example, by giving scores to different stores under certain criterion, the one with highest score will likely to be chosen.

Then, it is to implement the alternative chosen. The customer will ~~ap~~ approach the chosen store to carry out the facial treatment she wants according to her needs.

After that, it is post-purchase behaviour. The customer will wait and see if the ~~servi~~ treatment really can help her reduce darkness of skin and soothing wrinkles. If the effect is satisfying, she may continue to take services in the same firm and recommend to her colleagues and friends. If the results are not as expected, she might search for other alternatives.

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(b) The first consumer right is right to safety.

To satisfy this right, the beauty centre has to ensure that all its services provided to customers are safe. This can be done by regular check on equipment like the light radiating machine. If the machine is broken, the strong light may ~~damage~~ burn the skin of customer. So it has to carry out maintenance to ensure safety of the machine.

Also, it can provide training to make sure beauticians ~~or~~ know how to operate the machines and that they ~~have~~ have renew their license to ensure they are qualify to carrying injection beauty treatment like botox. This helps to ~~reduce the~~ ensure the safety of its services and ~~protect~~ ^{satisfy} consumers right to safety.

Second ^{consumer} right is the right to be informed. The beauty centre should be honest about the risk or possible side effects of its services and inform the customer before they undergo the treatments. So that they can decide whether she/he can bear the risk. For example, the

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(b) centre can give out leaflets to customers printed with the side effects of certain treatment. e.g. the botox injection may cause ~~of~~ paralyze of muscles; pore-cleaning treatment may cause skin redness. By telling customers these in advance, ~~if~~ they can make more ~~comprehensive~~ comprehensive and appropriate ^{purchasing} decision. These satisfy consumer's right to be informed.

Third, it is the right to be heard.

The customers should have the right to lodge a complaint against the beauty centre if they are not satisfy with the treatment process or effd.

In response to this right, the centre can set up a complaint-hotline to allow customer to make complain through the phone; Also, it may place some opinion paper on the reception counter so that it is convenient for customers to make comments on the centre's service. It should be noted that it is of utmost important for the centre to handling the comments or complaints promptly and seriously. Otherwise, the all measure will be useless and superficial. These help satisfy consumer right to be heard.

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(17) Form, it is the right to choose.
A beauty centre should respect the customers' right to choose. Training should be provided to ~~the~~ employees that it is not right to 'hard-sell' or push or force customers to purchase certain service. They should allow them to choose freely ~~but~~ by giving objective recommendations to a customer but not to sell them ~~a~~ services because of money. Sub Supervisors can monitor the selling process of subordinates to customers; setting code of ~~the~~ ethics to emphasise the respect to the right; and ~~punishment~~ those who force customers to buy what they don't need and want. These help to satisfy consumer rights' to choose.

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Comments

With few exceptions, the candidate demonstrated comprehensive knowledge and understanding of business management concepts. The candidate was able to apply those concepts in analysing management problems in different settings. He/She was able to communicate ideas and arguments in a logical and coherent manner using appropriate business terminology.

The candidate clearly identified and explained the types of insurance that a restaurant should take out in Question 1. In Question 2, the diagrammatic presentation of EOQ and the calculation of the re-order level are both correct. In Question 3, the candidate had some ideas about the meaning of the basic elements of Vroom's Expectancy Theory. In Question 4, the candidate was able to identify different sampling techniques. The answer in Question 5 showed that the candidate understood the difference in the initial pricing of the skimming pricing strategy and the penetration pricing strategy, but knowledge of other differences was limited. In Question 6, the candidate discussed clearly the measures that could be used to encourage retailers to carry more of Grassland's products, and was able to apply the correct concepts related to performance appraisal methods and training process to the case despite some minor flaws. The candidate also had some ideas about how Grassland could improve its cash flows based on the working capital management perspective. In Question 7, the candidate had some idea of the differences in buying behaviour between the consumer market and the business market and was able to highlight the benefits of e-marketing, and how they applied to the case situations. Also the risk of securing the loan in the future was clearly discussed though there was some misconception about short-term loans. The candidate correctly identified two relevant macro-environmental factors and was able to discuss their implications on the risk of the airline industry. In Question 9, the candidate was able to illustrate the different steps of the consumer buying decision process with reference to the purchase of beauty services, and explained different consumer rights and their implications for what the beauty centre should do to satisfy those rights.

This piece of work is of Level 5 in the HKDSE reporting scale.