

Cambridge IGCSE · Business Studies 0450 · Notes

Business objectives and stakeholder objectives

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Read first: [Classification of businesses](#), [Types of business organisation](#)

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What you need to know

By the end of this topic you should be able to:

1. **Say why a business sets objectives**, and why the objective that matters most can change as the business and its situation change.
2. **Describe the main business objectives**: survival, growth, profit and market share, plus others such as higher sales, customer satisfaction and acting responsibly.
3. **Describe what social enterprises aim for**: social and environmental goals as well as a profit that is put back into the enterprise.
4. **Name the main stakeholder groups**, both internal (inside the business) and external (outside it).
5. **State what each stakeholder group wants** from the business.
6. **Explain, with examples, how these aims can clash** with each other and with the owners' aims.
7. **Explain how the aims of private sector businesses differ from those of public sector organisations**.

Understand it

What an objective is and why a business needs one

A **business objective** is an aim or target that a business works towards, such as "break even in the first year" or "raise market share from 12% to 15% by 2028". Good objectives are specific and can be measured, so everyone can tell whether they have been reached.

Setting objectives helps a business because:

- **They give a clear target and direction.** Everyone knows what they are working towards, so effort is not wasted on unrelated activities.
- **They focus decisions.** Managers can ask "does this help us reach the objective?" when choosing between options, and share out money, people and time accordingly.

- **They motivate employees.** A target to aim for gives staff a sense of purpose, especially when they share in the success.
- **They let the business measure and compare performance.** Results can be checked against the target, department by department and year by year, to see what is working.
- **They are the starting point for a plan.** A business plan sets out the objectives and then how they will be reached; banks look for this before lending.

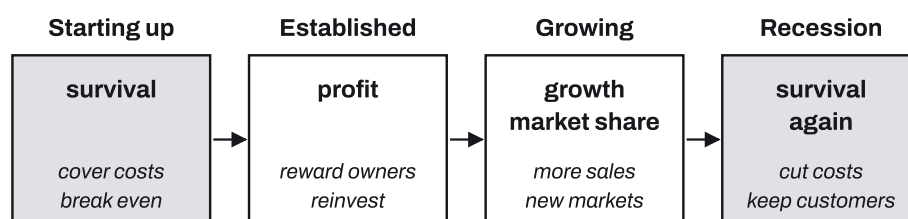
An objective is **what** the business wants to achieve; a strategy is **how** it will get there. "Increase market share" is an objective; "cut prices" or "advertise online" are ways of achieving it.

The main business objectives

- **Survival:** staying in business. Revenue must at least cover costs, so the first target for a new business is often to **break even**. Survival also matters for established businesses when times are hard: in a recession, or when a strong new competitor arrives.
- **Profit:** revenue greater than total costs. Profit rewards the owners for the risk they took (as dividends for shareholders), and **retained profit** is a source of finance for investment and growth. Profit is what is left **after** costs are paid, not money raised to pay them.
- **Growth:** getting bigger, for example more outlets, more products or new markets. Growth can bring economies of scale, higher sales and more security, because a bigger business with several products spreads its risk.
- **Market share:** the business's sales as a percentage of the total sales in its market (formula below). A larger share can make the business the market leader, better known to customers, and able to influence prices and win better terms from suppliers.
- **Other objectives:** increasing sales revenue, customer satisfaction or loyalty, a good reputation or brand image, providing a service to the community, and protecting the environment.

$$\text{Market share} = \frac{\text{the business's sales}}{\text{total market sales}} \times 100$$

The most important objective changes. A business starting up usually puts survival first; once established, profit; when successful, growth and market share; and in a recession it may return to survival.



Other reasons objectives change

- earlier targets met, or found to be unrealistic
- new owners or managers
- new laws or government policy
- customer tastes change
- new competitors

Objectives also change when:

- the old objective has been **reached**, or turned out to be **unrealistic**;

- the business gets **new owners or managers** with different priorities;
- **laws or government policy** change (a new tax, a new minimum wage, new environmental rules);
- **customer tastes** change, or a **new competitor** enters the market.

Social enterprises

A **social enterprise** is a business that has **social or environmental objectives** as well as a financial one. It sells goods or services like any business and tries to make a profit, but most of that profit is **reinvested** in the enterprise or in its social cause rather than paid out to owners. Typical objectives:

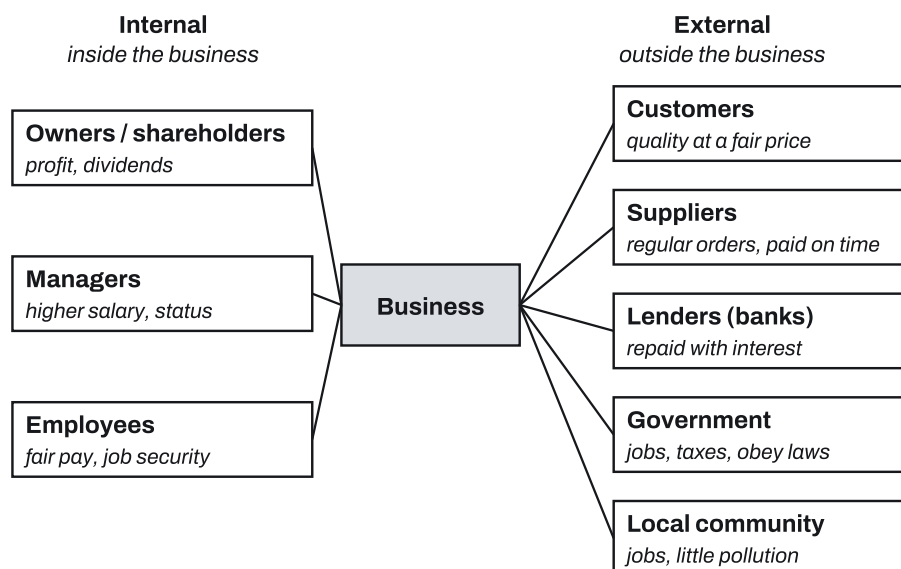
- **Social:** to help a disadvantaged group or the local community, for example giving jobs and training to people who find it hard to get work, or providing a service that people on low incomes could not otherwise afford.
- **Environmental:** to protect the environment, for example by recycling or using sustainable materials.
- **Financial:** to make a profit (or at least break even) so that it can survive and put money back into its cause.

Government objectives such as "economic growth" or "low unemployment in the country" are **not** objectives of a social enterprise. Examiners see this mistake often.

Stakeholder groups

A **stakeholder** is any person or group with an interest in a business: they are affected by what it does, or they affect it. Do not confuse stakeholders with **shareholders**, who are just one stakeholder group (the owners of a company).

- **Internal stakeholders** are inside the business: **owners/shareholders**, **managers** and **employees**.
- **External stakeholders** are outside it: **customers**, **suppliers**, **lenders** (banks), the **government** and the **local community**.



Each group wants something different from the business, and each plays its own part in its success:

Group	What they want (their objectives)	Their role in the business
Owners / shareholders	Profit; dividends; a rising share price; the business to survive and grow	Provide the capital and take the risk
Managers	Higher salaries and bonuses; status and power; a growing business; job security	Plan, organise and make decisions
Employees	Fair or higher pay; job security; safe working conditions; training and promotion; job satisfaction	Make the products or give the service; they decide quality and customer service
Customers	Good quality and reliable products; low prices or value for money; good service; delivery on time	Buy the products, which creates the revenue
Suppliers	Regular and larger orders; to be paid on time; fair prices for their materials	Provide materials, components and inventory
Lenders (banks)	Loans repaid on time, with interest	Provide finance
Government	Jobs created; taxes paid; laws obeyed; the business to grow and help the economy	Sets the laws and taxes the business works within
Local community	Jobs for local people; little pollution, noise or traffic; support for local projects	Provides workers and customers, and grants or refuses support for plans

When objectives conflict

Because the groups want different things, one group's objective often works against another's. The most common exam clash is with the **owners' aim of higher profit**, which needs higher revenue or **lower costs**:

- **Customers** want lower prices and better quality; the owners may want **higher prices**, and better quality **raises costs**. Either way profit and customers pull apart.
- **Employees** want higher pay and job security; higher pay **raises costs**, and the owners may want to **cut jobs** or replace workers with machines to save money.
- **Suppliers** want higher prices, regular orders and prompt payment; the business wants to **pay lower prices**, may **order less**, and paying quickly **reduces its cash**.
- **Local community** wants little pollution and noise; cleaner methods or a quieter site **cost more**, and the owners may want to expand the factory.
- **Government** wants taxes and laws followed; tax **reduces profit**, and meeting new rules adds cost.

Groups can also clash with each other: employees may want a factory to expand (more jobs and overtime) while local residents want it kept small (less traffic and noise). A good answer names the objective, then says **why it hurts the other side** through costs, revenue, profit or jobs. "This lowers profit" alone is not enough: say **how** (higher pay → higher costs → lower profit).

Not every decision is a conflict. Some decisions help several groups at once: a growing business can pay more tax, give employees promotion and give suppliers bigger orders.

Private sector and public sector objectives

Private sector businesses are owned by individuals or shareholders. Most aim mainly for **profit**, survival, growth and market share, because the owners want a return on their money.

Public sector organisations are owned and controlled by the **government** (for example a state railway, water supplier or public hospital). They aim mainly to:

- provide an **essential service** to everyone, at a price people can afford, even where it makes a loss (a bus route to a remote village);
- **keep jobs** and support the economy;
- **break even** or keep losses low, so that **taxpayers** don't pay too much through government subsidies;
- meet **targets set by the government**, such as waiting times or reliability.

So a private bus company may close an unprofitable route; a public sector bus service may keep it because the people there need it.

Key facts and formulas

This topic has no formula list in the exam. "Learn it" means you must remember it.

Fact	Status
Business objective: an aim or target that a business works towards	Learn it
Main business objectives: survival, growth, profit, market share	Learn it
Stakeholder: a person or group with an interest in, or affected by, a business	Learn it
Internal stakeholders: owners/shareholders, managers, employees	Learn it
External stakeholders: customers, suppliers, lenders, government, local community	Learn it
Social enterprise: a business with social or environmental objectives that reinvests its profit	Learn it
Profit = revenue – total costs	Learn it
Market share = $\frac{\text{business's sales}}{\text{total market sales}} \times 100$	Learn it
Public sector organisations: owned by the government, aim to provide a service; private sector: aim mainly for profit	Learn it

How to do it

We have tagged 24 questions on this topic (2021–2025), on Paper 1 and Paper 2. 3 of them have parts of more than one type, so the counts add to 27.

Question type	Questions
State or explain business objectives (incl. social enterprise)	7
Objectives of stakeholder groups	4
Why objectives matter or why they change	4
Conflicts between stakeholder objectives	4
Evaluate the most important stakeholder group	3
Define a key term	3
Evaluate which business objective matters most	2

The mark scheme codes are **k** (knowledge: a correct point), **app** (application: a detail from the case), **an** (analysis: a developed consequence) and **eval** (evaluation: a justified judgement).

Part	Marks	What earns them
Paper 1 (a) "Define"	2	a full definition; half = 1
Paper 1 (b) or (c) "Identify"	2 or 4	1 per point; only the first ones are marked
Paper 1 (c) "Outline"	4	each: k + app
Paper 1 (d) "Explain"	6	each: k + app + an
Paper 1 (e) "Do you think ...?"	6	2 k + 2 an + 2 eval; general, so no app
Paper 2 (a) "Explain two ..."	8	each: point (1) + up to 3 development marks, at least one applied to the case
Paper 2 (a) "Explain four ..."	8	each: point (1) + one explanation applied to the case (1)
Paper 2 (b) "Consider ... which is most important? Justify"	12	levels: detailed, applied discussion of each option, then a justified choice saying why the others were rejected

1. State or explain business objectives (incl. social enterprise) (7 questions)

Paper 1 identify ("objectives a new business might have", [0450/11/O/N/23 Q1](#) part (b); "objectives a social enterprise might have", [0450/12/F/M/25 Q4](#) part (b)): one word or phrase each, two different ones.

- New business: survival, break even, make a profit, build a reputation, gain customers, customer service, growth, market share.
- Social enterprise: help the local community or a disadvantaged group, protect the environment, make a profit to **reinvest**. Not government aims.

Paper 2 (a), 8 marks ("Explain two/four business objectives" for the case business: 0450/23/M/J/24 Q2, 0450/21/O/N/22 Q1, 0450/23/M/J/22 Q2; one business objective and one social-enterprise objective, 0450/22/M/J/23 Q2):

1. **Name a recognised objective** (1): survival, profit, growth, market share, sales, customer service, community service. Not a problem turned into a target ("improve motivation") and not a strategy ("open a website").
2. **Say why this business would have it**, using the case: a business that opened recently → **survival**, because new businesses are more likely to fail and the owner could lose savings; a sole trader who put in their own money → **profit**, as the reward for that risk; a business planning a new shop → **growth**; a busy, competitive market → **market share**.
3. **Develop** (two-objective version): take it one or two steps further: "...so revenue covers costs, so the owner still has an income next year."
4. **Four-objective version**: four different objectives, each with one explanation linked to the case. Generic explanations lose the application mark.

Paper 1 outline ("reasons why profit might be important", 0450/11/O/N/21 Q3 part (c)): reward for the owners' risk; source of finance for growth (say "finance for growth", not just "for growth"); attracts investors; shows success; each with a detail from the case.

2. Objectives of stakeholder groups (4 questions)

1. **Take the stakeholder's point of view**, not the business's: "employees want job security", not "the business wants loyal employees".
2. **Give an objective, not a role**: "suppliers want to be paid on time" is an objective; "suppliers provide materials" is a role and scores nothing.
3. **Apply each one to the case, differently**: the same case detail used for every group is credited once only.

Forms seen: identify one objective for employees and customers (0450/11/O/N/24 Q4 part (b), 1 each); outline one objective for the government and employees (0450/12/F/M/22 Q1 part (c), k + app: a government objective **for this business**, such as taxes from its profits, not a general government aim such as low inflation); explain one objective each for shareholders, suppliers, employees and customers (0450/22/M/J/25 Q2 part (a), 8 marks: objective (1) + applied explanation (1) each). A rarer variant asks you just to identify four stakeholder groups (0450/12/M/J/25 Q3 part (c)): name four different groups from the table.

3. Why objectives matter or why they change (4 questions)

Why a business needs objectives: give the reason, not an objective. "Profit" is an objective; "a target to work towards" is a reason.

- Paper 1 identify (0450/13/M/J/22 Q3 part (a)) or outline (0450/13/O/N/22 Q2 part (b)): clear target; focus for decisions and sharing out resources; motivate employees; measure or compare performance; basis for a plan.

- Paper 2 (a), 8 marks (**0450/22/M/J/24 Q1**): two reasons, each developed in steps and linked to the case: "a clear target (1): the workshop team can check each week how close they are to the monthly output figure in the case (app), so time isn't wasted on side jobs (1) and problems show up early enough to fix (1)".

Why objectives change (**0450/12/F/M/24 Q1** part (c), outline, k + app): earlier objective reached or unrealistic; new owners or managers; new laws or government policy; changing customer tastes; new competitors; the business has grown. Link each to a case detail (how long it has been open, its plans).

4. Conflicts between stakeholder objectives (4 questions)

Paper 1 (d), 6 marks. Usually: "Explain one way the owners' objective to increase profit might conflict with the objectives of" two named groups (**0450/12/O/N/24 Q3** customers and suppliers; **0450/13/O/N/22 Q2** employees and suppliers; **0450/11/M/J/21 Q1** customers and employees).

1. **State the group's objective** (k): customers want lower prices; employees want higher pay; suppliers want higher prices or regular orders.
2. **Explain the clash** (an): the business wants the opposite, or the objective raises costs or cuts revenue, so profit falls. Go through costs: "higher pay **raises costs**, so profit falls", not just "profit falls".
3. **Add a case detail** (app) to each: the product, the number of employees or suppliers, a figure.

Variant: "Explain one way each group might be **affected by** the plan to expand" (**0450/12/M/J/23 Q4**). Write from the group's side: employees might gain promotion (so higher pay) or have to move site; suppliers might get more orders (so more revenue) or struggle to supply enough. Don't describe the effect on the business itself.

5. Evaluate the most important stakeholder group (3 questions)

Paper 1 (e), 6 marks, general (no application): "Do you think employees are the most important stakeholder group for a manufacturing business?" (**0450/13/O/N/25 Q3**); customers more important than employees (**0450/11/M/J/24 Q1**); shareholders the most important for a limited company (**0450/12/M/J/21 Q3**).

1. **Role of the named group** (k) → **why the business needs it** (an): "Skilled employees decide how well each item is made (k), so poor work leads to returns and a damaged reputation (an)."
2. **Role of another group** (k) → consequence (an): "Shareholders put up the capital for machinery and buildings (k), so without them the factory could not be set up or expanded (an)." Customers bring in the revenue; suppliers provide materials; banks lend; the community provides workers; the government sets the laws.
3. **Decision with a comparing reason** (eval × 2): "Employees matter most for a manufacturer, because trained staff take months to replace while new shareholders can be found by selling more shares (eval); if skilled workers leave for a rival, output and quality fall straight away (eval)."

Either decision can earn full marks if justified. Do not repeat earlier points as "evaluation", and do not add case details: there are no marks for them.

6. Define a key term (3 questions)

Two marks for a full definition, one for part of it:

- **Stakeholder group** (0450/11/O/N/21 Q3 part (b)): people or organisations **with an interest in** a business, or **affected by** its activities (2). Not "shareholders".
- **Social enterprise** (0450/11/M/J/24 Q4 part (a)): a business with **social (or environmental) objectives** that also makes a profit to **reinvest** in the business or its cause (2). "A business that helps society" = 1.
- **Public sector** (0450/11/M/J/21 Q1 part (a)): the part of the economy **owned and controlled by the government** (2). Not a public limited company. The same question defined **profit**: revenue minus total costs, or the surplus when revenue is greater than costs (2).

7. Evaluate which business objective matters most (2 questions)

Paper 1 (e), 6 marks, general (0450/11/O/N/25 Q2): "Explain two objectives a private sector business might have. Which objective is likely to be the most important?"

1. Objective 1 (k) → what it means or why it helps (an): "Increasing market share (k), so the business becomes the name customers think of first and can negotiate better terms with suppliers (an)."
2. Objective 2 (k) → (an): "Customer satisfaction (k), so buyers come back and recommend it, giving steady sales without extra advertising (an)."
3. Decision with a reason (eval × 2): "Customer satisfaction matters most, because a larger share won by price cuts disappears when a rival cuts further (eval), while loyal customers stay even when prices rise a little, so the share lasts (eval)."

Paper 2 (b), 12 marks (0450/23/O/N/24 Q1): weigh three named objectives for the case business (such as profit, market share, survival) and decide. Discuss **each** in the case's situation (a recession, a new competitor, shareholders expecting dividends), say what it would mean for decisions, then choose one and say **why the others were rejected**. All three discussed in context with a well-justified conclusion reaches Level 3 (9–12).

Worked examples

Example 1

Riverside General Hospital is run by the government. Nearby, a private clinic owned by a group of doctors offers some of the same treatments.

(a) Identify one internal and two external stakeholder groups of the hospital. [3]

(b) Outline one difference between the main objective of the hospital and the main objective of the private clinic. [2]

(a) Internal: the nurses and other employees (1). External: the patients, who are its customers (1); the government, which funds it (1).

(b) The hospital is in the public sector, so its main aim is to give healthcare to everyone who needs it, even treatments that make a loss (1). The clinic is in the private sector, so its owners mainly want it to make a profit (1).

Example 2

Brightwell Dairy Ltd makes cheese. Its shareholders want higher profit. It buys 50 000 litres of milk a week from 20 local farmers, each supplying 2500 litres, at \$0.40 a litre. The directors plan to pay \$0.36 a litre instead. Brightwell also plans to run its factory at night.

Explain how the dairy's plans might affect each of the following stakeholder groups. [6]

- Suppliers (the farmers)
- Local community

Suppliers. The farmers want a fair price for their milk (k). Brightwell would pay $0.40 - 0.36 = 0.04$ dollars less a litre, which saves it $0.04 \times 50\,000 = 2000$, so \$2000 a week, but each farmer receives $0.04 \times 2500 = 100$, so \$100 a week less (app), so the farmers' profit falls and some may sell their milk to another buyer, leaving Brightwell short of milk (an).

Local community. Residents want little noise and traffic near their homes (k). Running the cheese factory at night (app) means lorries and machines working while people sleep, so residents may complain or oppose the factory's plans, which could harm Brightwell's reputation (an).

Each group earns k + app + an. The owners' gain (about $2000 \times 52 = 104\,000$, so \$104 000 a year) is exactly why the two sides clash.

Example 3

Do you think making a profit is the most important objective for a social enterprise? Justify your answer. [6]

A social enterprise needs a profit, or at least to break even (k), because without it the enterprise cannot pay its costs and survive, and has nothing to reinvest in its cause (an). But its reason for existing is its social objective, such as giving jobs to people who find it hard to find work (k), so if it chased profit by cutting those jobs, it would stop doing what it was set up to do (an).

Profit is not the most important objective, because it is only a means to the social aim: customers and donors often support the enterprise **because** of its cause (eval). Profit matters only as far as it keeps the enterprise running long enough to deliver that aim (eval).

The two **eval** marks need a decision and a reason that compares the two sides. Deciding that profit matters most, because an enterprise that closes helps nobody, would earn them too.

Example 4

Tidewater Ferries is a public corporation that carries passengers between islands. Last year it made 1.5 million passenger journeys at an average fare of \$12, and its costs were \$21 million. The government paid a subsidy to cover the loss. Island residents rely on the ferries to reach hospitals and jobs. The government asks the managers which objective to make the most important for the next three years:

- To break even without a subsidy
- To keep fares low for island residents
- To start services to two new islands, which would add \$2.4 million to costs and \$1.5 million to revenue each year

Which objective should Tidewater Ferries make the most important? Justify your answer. [12]

Revenue was $1.5 \text{ million} \times 12 = 18$, so \$18 million, and the loss was $21 - 18 = 3$, so \$3 million, paid by taxpayers.

Break even without a subsidy. Taxpayers would no longer pay \$3 million a year, which the government could spend on schools or hospitals, and managers would have a reason to cut waste. But with costs unchanged the average fare would have to rise to $21 \div 1.5 = 14$, so \$14 (up \$2, or $\frac{3}{18} \times 100 \approx 16.7\%$). Residents who travel to work every day may not afford this, and some may stop travelling, which would cut revenue again.

Keep fares low. This fits the purpose of a public sector organisation: an essential service that everyone can afford. Residents can keep reaching hospitals and jobs, and the islands' economy stays alive. But the \$3 million loss continues and may grow as fuel and wages rise, and with no pressure to break even the service may become inefficient.

Start services to two new islands. More people would get a ferry service they don't have now. But it would add $2.4 - 1.5 = 0.9$, so \$0.9 million, to the yearly loss, taking it to $3 + 0.9 = 3.9$, so \$3.9 million, and managers' attention would move away from improving the existing routes.

Conclusion. Keeping fares low should be most important, because the ferries exist to give island residents access to hospitals and work, which a private company might not do. Breaking even is rejected for now because a 16.7% fare rise could stop people making essential journeys and may not even raise revenue if fewer people travel; the new islands are rejected because they would make the loss 30% bigger while the current service still needs a subsidy. Managers should still set a target to cut costs, so the subsidy falls over the three years.

This discusses **all three** objectives in the case's situation, with the figures worked out, and ends with a choice that says **why the others were rejected**: Level 3 (9–12). A conclusion for breaking even, justified by the cost to taxpayers, would score as well.

Common mistakes

- **Giving a strategy instead of an objective.** "Advertise more" or "open a website" is how to reach an objective; "increase market share" is the objective. Examiners report this in most years.

- **Turning a problem into an objective.** "Improve motivation" or "fix cash flow" from the case is not a recognised business objective; use survival, profit, growth, market share and the like, then apply them.
- **Giving government aims for a business or a social enterprise.** "Economic growth" or "low unemployment" are the government's aims for the country, not a social enterprise's objectives, and not what the government wants from **this** business.
- **Confusing stakeholders with shareholders.** Shareholders are one stakeholder group.
- **Stating a role instead of an objective.** "Customers buy the products" is a role; "customers want good quality at a low price" is an objective.
- **Writing from the business's side.** For stakeholder objectives and effects, say what **the group** wants or how **the group** is affected, not what the business gains.
- **Saying "profit falls" with no reason.** Show the link: higher pay → higher costs → lower profit.
- **Misunderstanding profit.** Profit is the surplus after costs are paid, not money used to pay expenses.
- **Mixing up the public sector and public limited companies.** A plc is privately owned; the public sector is owned by the government.
- **Using the same case detail for every point.** It earns application once only.
- **Giving reasons as objectives, or objectives as reasons.** "Why do businesses need objectives?" wants "a target to work towards", not "profit".
- **Adding case details or repeating points in a general (e) question.** There are no application marks, and repeating earlier points is not evaluation.

How to get the marks

- **Identify:** short, different answers; only the first two (or four) are marked. Use recognised terms ("survival", "market share"), not vague ones ("to make money", "for growth").
- **Define:** one sentence with both ideas: for a social enterprise, social aims **and** reinvested profit; for a stakeholder, **interest in or affected by** the business.
- **Outline** (4 marks): a correct point + a detail from the case that makes sense with it.
- **Explain** (Paper 1 (d), 6 marks): k + app + an for each point, and analysis is a consequence: "so costs rise", "which means revenue falls".
- **Paper 2 (a)** (8 marks): read whether it asks for two points (develop each in several steps, one step using the case) or four (one applied explanation each). Every point different.
- **Paper 1 (e)** (6 marks): general, so no marks for the case. Two developed points (the named group or objective, and another), then a decision with a comparing reason.
- **Paper 2 (b)** (12 marks): discuss **every** option named, in the case's situation and with its figures, then choose one and say **why the others were rejected**. "Justify" means the reason is where the marks are.
- **Read which way the question looks:** "objectives of the stakeholder" is the group's view; "conflict with the business's objective" needs both sides; "affected by the plan" is the effect on the group.

Quick check

1. Sort these into internal and external stakeholders: managers, a bank that has lent money, employees, local residents, shareholders, the tax authority.
2. Pello Bikes sold 4500 bikes last year in a market where 30 000 bikes were sold in total. What was its market share? Next year the market is expected to grow to 32 000 bikes and Pello's objective is a 20% share. How many bikes must it sell, and how many more is that than last year?
3. Harbour Kitchen is a social enterprise café that trains young people leaving prison. It made a profit of \$48 000 this year. It spends 75% of the profit on its training programme and keeps the rest to replace equipment. How much goes to each? Why does it not pay the profit to its owners?
4. A stone quarry wants to extend its site. Explain one way the objectives of its employees might conflict with the objectives of the local community.
5. Explain why a bus service in the public sector might keep running a route to a remote village that a private bus company would close.

Answers

1. Internal: managers, employees, shareholders. External: the bank, local residents, the tax authority (government).
2. Market share = $\frac{4500}{30\,000} \times 100 = 15$, so **15%**. Target sales = $20\% \times 32\,000 = 6400$, so **6400 bikes**, which is $6400 - 4500 = 1900$, so **1900 more** than last year.
3. Training = $75\% \times 48\,000 = 36\,000$, so **\$36 000**; equipment = $48\,000 - 36\,000 = 12\,000$, so **\$12 000**. A social enterprise reinvests its profit in its social aim and in the business instead of rewarding owners; that is what makes it a social enterprise.
4. Employees want job security and extra hours, so they want the quarry to grow. Local residents want little dust, noise and heavy traffic near their homes, so they want it kept small. Extending the site helps one group and harms the other.
5. A public sector service aims to provide an essential service to everyone, even at a loss, so villagers can reach work, school and shops; any loss is covered by the government. A private company aims for profit, so it would close a route whose fares don't cover its costs.

Past questions to try

- 0450/23/O/N/24 Q1: part (b), profit, market share or survival for a business in a slump.
- 0450/13/O/N/22 Q2: parts (b) and (d), why objectives matter and how employees' and suppliers' aims conflict with profit.
- 0450/22/M/J/23 Q2: part (a), a business objective and a social-enterprise objective.
- 0450/12/M/J/21 Q3: part (e), are shareholders the most important stakeholder group?