4 PKN manufactures glass. Contributing to sustainable development is important to the business. PKN has factories in 30 countries. It has 27 000 employees. The Managing Director knows PKN has benefited from globalisation. She plans to expand the business using external growth. Retained profit is one source of finance a business could use to fund expansion. Some of PKN's directors are concerned about possible diseconomies of scale as the business grows.

(a) Identify **two** methods of external growth a business might use.

Method 1: .....

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Method 2: .....

..... [2]

(b) Identify **two** reasons for globalisation.

Reason 1: .....

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Reason 2: .....

..... [2]

(c) Outline **two** ways PKN could contribute to sustainable development.

Way 1: .....

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Way 2: .....

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..... [4]

(d) Explain **two** diseconomies of scale which might affect PKN as it grows.

Diseconomy 1: .....

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Explanation: .....

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Diseconomy 2: .....

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Explanation: .....

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..... [6]

(e) Do you think the advantages of using retained profits to fund business expansion are greater than the disadvantages? Justify your answer.

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..... [6]