3 GAE is a multinational company. It manufactures steel. GAE has 2400 employees and has factories in 4 countries. The business regularly introduces new technology. Holding inventory is important. GAE's directors are planning to build a new factory and want to know how legal controls over location might affect this decision. The Managing Director said, 'The new factory will create many external benefits.'

(a) Define 'external benefits'.

.....

.....

.....

..... [2]

(b) Identify **two** ways legal controls over location might affect a business.

Way 1: .....

.....

Way 2: .....

..... [2]

(c) Outline **two** advantages to GAE of introducing new technology.

Advantage 1: .....

.....

.....

.....

Advantage 2: .....

.....

.....

..... [4]

(d) Explain **two** reasons why holding inventory might be important for GAE.

Reason 1: .....

.....

Explanation: .....

.....

.....

.....

Reason 2: .....

.....

Explanation: .....

.....

.....

..... [6]

(e) Explain **two** benefits to a business of being a multinational company. Which benefit is likely to be the most important? Justify your answer.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [6]