

1 (a) Explain **two** advantages and **two** disadvantages to Philip of changing PF from a sole trader business to a private limited company.

Advantage 1: .....  
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Advantage 2: .....  
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Disadvantage 1: .....  
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Disadvantage 2: .....  
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[8]

(b) Consider each of the following **three** methods PF could use to motivate its employees. Which method should PF use? Justify your answer.

- Paying bonuses
- Piece-rate
- Job rotation

Paying bonuses: .....  
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Piece-rate: .....  
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Job rotation: .....  
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Recommendation: .....  
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[12]