

3 (a) Explain **two** advantages and **two** disadvantages to a business of using a bank loan as a source of finance.

Advantage 1:
.....
.....

Advantage 2:
.....
.....

Disadvantage 1:
.....
.....

Disadvantage 2:
.....
.....

[8]

(b) Consider the advantages and disadvantages of the following **three** methods of promotion PF could use for its new product range. Which is likely to be the best method for PF to use to increase sales? Justify your answer.

- Leaflets handed out in the street
- Billboards on the side of a main road
- Discounts on first purchase

Leaflets handed out in the street:
.....
.....
.....
.....

Billboards on the side of a main road:
.....
.....
.....
.....

Discounts on first purchase:
.....
.....
.....
.....

Conclusion:
.....
.....
.....
.....

[12]