

1 Amir and Carla are business partners. They own a luxury hotel which operates in a niche market. The business has a short hierarchical structure. Amir and Carla use Herzberg's theory of motivation to keep their 5 employees well motivated. Amir and Carla are considering opening another hotel in a different city. They will need to identify a suitable source of finance if they decide to expand. Secondary market research can be used to help a business decide whether it should expand.

(a) Identify **two** motivators from Herzberg's theory of motivation.

Motivator 1:

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Motivator 2:

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[2]

(b) Identify **two** features of a short hierarchical structure.

Feature 1:

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Feature 2:

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[2]

(c) Outline **two** advantages to Amir and Carla of operating in a niche market.

Advantage 1:

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Advantage 2:

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[4]

(d) Explain **two** sources of finance Amir and Carla could use if they decide to expand.

Source 1:

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Explanation:

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Source 2:

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Explanation:

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[6]

(e) Do you think secondary market research is the most appropriate type of market research for a business to use when deciding whether it should expand? Justify your answer.

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[6]