2 SNT is an ethical business. It manufactures a range of soft drinks using batch production. In 2023 SNT produced 300 000 bottles of soft drinks each week. There are many factors which affect how much inventory the business should hold. SNT's directors are planning to expand the business into new markets in other countries by forming a joint venture. They are considering licensing as another way to help overcome the potential problems of entering these new markets.

(a) Define 'licensing'.

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..... [2]

(b) Identify **two** factors which might affect how much inventory a business should hold.

Factor 1: .....

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Factor 2: .....

..... [2]

(c) Outline **two** benefits to SNT of using batch production.

Benefit 1: .....

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Benefit 2: .....

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..... [4]

(d) Explain **one** advantage and **one** disadvantage to SNT of forming a joint venture when entering new markets in other countries.

Advantage: .....

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Explanation: .....

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Disadvantage: .....

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Explanation: .....

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..... [6]

(e) Do you think the advantages to a business of being ethical are greater than the disadvantages? Justify your answer.

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