



Worksheet 6: Chains of analysis answers

- 1 A business increases its prices. Develop a chain of analysis of how this might affect the customer.

Prices increase	<i>Customer must pay more</i>	<i>Cannot afford other goods</i>	Customer has a worse standard of living
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- 2 A business changes its remuneration system from time-based to piece-rate. Develop a chain of analysis of how this might affect an employee

Pay is changed from time-based to piece-rate	<i>Employees can work harder to earn more money</i>	<i>Employees can afford to spend more money</i>	Increases their standard of living
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- 3 A company faces higher taxes. Develop a chain of analysis of how this might affect the shareholders.

Tax rate increases	<i>Business costs increase</i>	<i>Less profit made</i>	Lower dividends paid to the shareholder
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- 4 A business successfully uses above the line promotion. Develop a chain of analysis of how this might affect the business.

Successful above the line promotion	<i>More people are aware of the product</i>	<i>Increases sales</i>	Increases profit
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