

Answer **all** questions in the spaces provided.

1

Brian Probin works for a local animal feed manufacturer, Huxleys Mill Ltd. His job is to visit farmers within 20 miles of Welford to collect orders from existing customers. He also visits other farms to persuade them to buy feed from his company.

The feed manufacturer provides Brian with a vehicle and pays him a salary of £20 000 per year.

Brian is expected to fill in a form each day stating the farms he has visited, the miles he has driven, the length of time spent with the customers and the value of the orders he has taken. His boss, the Sales Manager, checks the form each week and expects him to have made at least six visits a day. He also insists that Brian visits each existing customer once every six weeks.

The Sales Manager has recommended to the Managing Director that the company changes Brian’s method of payment to commission only.

(a) Explain what is meant by the term *Ltd.*

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(4 marks)

(b) Huxleys Mill Ltd tries to attract new customers by:

- free samples;
- permanent low prices;
- well trained staff.

Discuss the advantages and disadvantages of each of these methods and explain which you think would be the most effective.

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