***QUESTION***

*Anvil Engineering plc is a multinational business. Consider the advantages and disadvantages of being a multinational business. [10]*

***(June 12 Q6e)***

What makes this a WAGOLL?

**AO3 Analysis & Evaluation**

Analysis - Explain the impact on a business and its stakeholders (so what? why?)

Evaluation – Make a judgement

**AO2 Application**

Using your knowledge of a topic and applying it to a certain scenario

**AO1 Knowledge & Understanding**

What you know about a given business concept or issue

Answering8 / 10 Mark Questions

As a multinational business, Anvil will operate in more countries around the world, this will mean that they will become more well known. By being more well known, Anvil are likely to have a bigger market and in turn more revenue which should lead to more profit. A high profit will mean that Anvil is a more attractive investment for potential investors allowing the business enough investment to continue to grow.

Anvil will also benefit from economies of scale this means that the cost of production per unit will decrease. A larger number of sales means that Anvil will buy raw materials in larger quantities, so they can benefit from bulk buying and the cost per unit will be cheaper. This will reduce costs to the business which they can in turn pass onto the customer through reduced price or increase profit.

 However, operating in many countries means that Anvil will have to abide by the different laws that the countries may have. This may mean that they need to ensure that they treat their workers according to the law in that country or that they must adapt their product to ensure that it meets the safety standards that that country imposes. This means that the business costs might increase.

By operating as a multinational, Anvil will be able to take advantage of lower labour costs to reduce their overall costs. However, by relocating jobs overseas, this may mean that the company gains a bad reputation in its home country as workers will be made redundant and lose their jobs to workers overseas. It may result in a lack of motivation and concerns about job security amongst those workers that are left behind.

WAGOLL (What a Good One Looks Like)……