

Total Mark

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2. Nearly £1 million for six bikes
Britain's biggest retailer, Tesco mistakenly paid Universal Cycles, a subsidiary of Sports Direct, £984 000 for six *Muddy Fox Suspension Bikes* instead of £984. The error was made on the 13 August 2009 and Universal was asked to repay it 15 days later. An error of this sort could be due to Tesco suffering from *diséconomies of scale*.
[4] Explain, with the aid of examples, the meaning of *diséconomies of scale*.

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1. Needs Versus Wants
In the consumption of goods and services people will first seek to meet their needs and then try and satisfy their wants.
[4] With the aid of examples, distinguish between *needs* and *wants*.

Answer all the questions in the spaces provided.