

Answer all the questions in the spaces provided.

1. The main aim of most businesses, in the private sector, is to maximise profits. To do this they produce **goods and services** to meet the needs and wants of consumers. Needs, such as food, are considered essential to survive, but satisfying wants, such as acquiring designer clothes and going to the cinema, makes life more enjoyable.

In reality businesses may have other aims, apart from maximising profits, which depend on a variety of factors, such as how large they are and the level of economic activity.

- (a) With the aid of examples, distinguish between *goods* and *services*. [4]

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- (b) Outline **two** other aims that private businesses might have, apart from maximising their profit. [4]

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Total Mark /8