

Chapter 4: Exam practice question

Fury at Bangladesh mine scheme

- 1 Using examples from the case study, explain the differences between internal and external stakeholders. (4)

Stakeholders are groups of people who can be affected by and therefore have an interest in any action taken by an organisation.

Internal stakeholders are people who own or work for a business, e.g. shareholders, managers, workers and, in this case, the spokesman for GCM.

External stakeholders are people who do not work for or own a business. For GCM these include the government, the World Development Movement, the Asian Development Bank, local residents, international campaign groups, local newspapers and TV channels, local farmers and landowners, etc.

Apply **Resources table 3b** mark bands.

- 2 Explain the benefits to any **two** stakeholder groups resulting from this mine project. (6)

6 marks:

Two valid stakeholder groups identified, e.g. GCM employees, GCM shareholders, landowners, Asian Development Bank.

Benefits fully explained with correct use of business terminology.

Answer linked back to the case study.

4–5 marks:

Two valid stakeholder groups identified, e.g. workers, shareholders, landowners.

Benefits explained.

For 5 marks, benefits must be linked back to the case study.

2–3 marks:

One or two valid stakeholder groups identified, e.g. workers, shareholders, landowners.

Benefits explained.

A maximum of 2 marks should be awarded if no explanations or links to the case study are given, or if only one stakeholder is considered.

1 mark:

Two stakeholders identified.

- 3 (HL) Explain the disadvantages to any **two** stakeholder groups resulting from this mine project. (6)

6 marks:

Two valid stakeholder groups identified, e.g. workers whose homes in Phulbari are moved, landowners who have their land forcibly purchased, farmers whose land now has no water due to relocated river, soldiers who have to face hostility.

Disadvantages fully explained with correct use of business terminology.

Answer linked back to the case study.

4–5 marks:

Two valid stakeholder groups identified (as above).

Disadvantages explained.

For 5 marks, benefits must be linked back to the case study.

2–3 marks:

One or two valid stakeholder groups identified.

Disadvantages explained.

A maximum of 2 marks should be awarded if no explanations or links to the case study are given, or if only one stakeholder is considered.

1 mark:

Two stakeholders identified.

- 4 Discuss the ways in which GCM could reduce the impact of the disadvantages it has created for stakeholder groups negatively affected by the mine. (9)

- Workers whose homes are moved: offer compensation; build better homes for them.
- Landowners who have their land forcibly purchased: offer more than the current market price; arrange meetings to explain that they will be compensated.
- Farmers whose land now has no water due to relocated river: offer compensation and/or jobs in the new mine to family members.
- Soldiers who have to face hostility: recognition for valour.

Apply **Resources table 2** mark band descriptors to the basic points above.

For 9-mark questions a justified conclusion is usually required.