
Question 26 (9 marks)

- (a) Identify THREE external factors that affect food product development, and give a relevant example for each. **3**

<i>External factor</i>	<i>Example</i>
Technology	More technology, less manual labour → saving \$.
Cost/economy	If economy is high, companies will lose money as consumers won't buy product.
Size of business	The bigger the company, the more \$ money + machinery it will have producing more products of a high quality.

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Question 26 (continued)

- (b) How does the food industry adjust its pricing structures in response to changes in the economy?

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The food industry adjust's its pricing structures in response to changes in the economy by putting their products prices down when the economy is low but having to increase the cost price when the economy is high or they will lose money themselves but the food industry has to do this overtime ~~and~~ while still competing or they will lose business and people will move on to cheaper brands.

End of Question 26