Question 13 (Answer: **C**)

- A union's bargaining power depends on how much it can hurt the employer and how many it represents.
- So more members, and members whose labour is hard to replace, both strengthen it.
- Raising membership fees would reduce membership, weakening the union.

Question 14 (Answer: **D**)

- Vertical integration joins firms at different stages of the same production chain.
- *Backward* means moving towards the source of supply.
- A tyre maker buying its rubber supplier is therefore backward vertical integration.

Question 27 (Answer: **D**)

- Specialisation means concentrating on a narrower range of activities.
- So anything that makes firms or workers focus more narrowly increases it.
- A takeover of an unrelated business is diversification, which does the opposite.

Question 12 (Answer: **C**)

- Vertical integration joins firms at different stages of the same chain.
- *Forward* means moving towards the customer.
- A restaurant chain buying the website through which customers order is forward vertical integration.

Question 15 (Answer: **C**)

- Vertical integration joins firms at different stages of the same chain.
- *Forward* means moving towards the customer.
- A manufacturer buying a retailer is therefore forward vertical integration.