Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/22**

Paper 2 Data Response **May/June 2021**

1 hour 30 minutes

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **all** questions.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 60.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **4** pages.

© UCLES 2021

1 Hot Bubblez (HB)

Karen is a sole trader who operates a service business called Hot Bubblez (HB) from her own home. It is a laundry service in town P. Each day Karen spends the morning collecting laundry from customers' homes. Karen then washes, dries and irons the laundry and then delivers it back to customers' homes in the evening. She owns two washing machines, two drying machines and one iron. Each batch of washing takes approximately two hours to wash, dry and iron.

Karen has completed some market research about which method of laundry households use in town P (see Fig. 1.1). There are 60 000 households in town P.

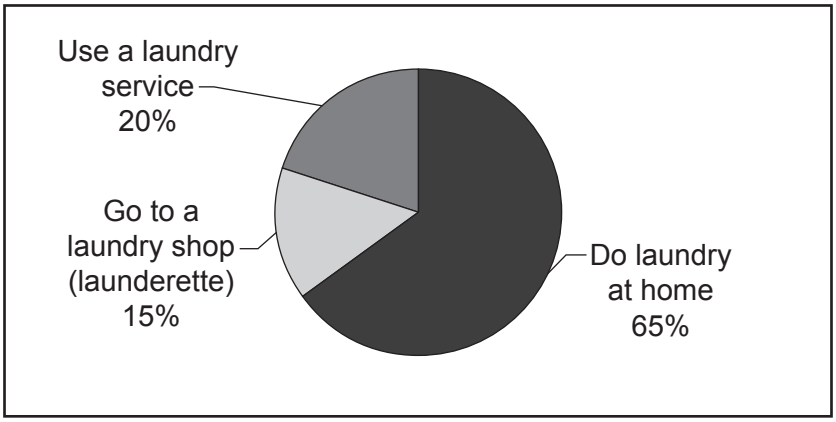


Fig. 1.1: The percentage of households using each laundry method in town P

Karen has 300 households that use HB's laundry service. Karen would like to employ someone to do the collections and deliveries.

Karen has always relied upon customer recommendations to promote HB. However, she has not been able to gain any new customers and she thinks it is time for new promotion methods to be used. She would like to target the hotel laundry market. Table 1.1 shows some data about the local hotel market.

Table 1.1: Data about the local hotel market

Number of hotels in town P	14
Number of hotels outside town P but within 30 miles of HB	45
Proportion of hotels which have their own laundry service	50%

(a) (i) Define the term 'service' (line 1). [2]

(ii) Explain the term 'sole trader' (line 1). [3]

(b) (i) Refer to Fig. 1.1 and any other relevant information. Calculate HB's share of the laundry service market. [4]

(ii) Analyse **two** factors which could affect the scale of HB. [8]

(c) Explain **one** appropriate method of recruitment for Karen to find a new employee to do collections and deliveries. [2]

(d) Evaluate appropriate promotion methods for HB to target the hotel laundry market. [11]

© UCLES 2021

2 Lakeland Oysters (LO)

Lakeland Oysters (LO) is a private limited company in country G that was started by the Dar family in 2010. LO farms oysters in a lake that is owned by the business. Oysters are a type of shellfish. The business employs six people from the local town. LO has two markets for its oysters (see Table 2.1).

Table 2.1: Market and financial data for LO, 2020

Market	Description	Sales	Revenue	Profit margin
Industrial	Restaurants ordering from LO's website	80 000 oysters	$100 000	15%
Consumer	Customers visiting the farm	50 000 oysters	$150 000	25%

LO believes that corporate social responsibility and its triple bottom line are important. There has been a recent news article on the internet about oyster farming (see Fig. 2.1).

Oyster farming can be good for the environment

Oyster farming can have a beneficial impact on the water by removing harmful pollutants. Oyster farms also benefit the local community by turning lakes into pleasant areas for the public. The government is considering giving grants to encourage oyster farming in country G.

Fig. 2.1: Extract from a recent news article about oyster farming

The directors of LO would like to expand the business by purchasing a second location. The business has two options (see Table 2.2).

Table 2.2: Data about a potential second location for LO

	Location A	Location B
Current use	An oyster farm	A fishing lake
Distance from LO's current location	100 km	5 km
Potential output per year	100 000 oysters	150 000 oysters
Purchase price	$250 000	$300 000
Start-up costs	$20 000	$100 000
Operating costs	$150 000 per year	$200 000 per year

(a) (i) Define the term 'market' (line 6). [2]

(ii) Explain the term 'profit margin' (line 6). [3]

(b) (i) Refer to Table 2.1. Calculate the total profit made from selling oysters in 2020. [2]

(ii) Explain **two** possible reasons why the profit margin for the consumer market is higher than the profit margin for the industrial market. [4]

(c) Analyse why **two** of the elements of the triple bottom line are important to LO. [8]

(d) Refer to Table 2.2 and any other relevant information. Recommend which location LO should choose. Justify your recommendation. [11]

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge Assessment International Education Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cambridgeinternational.org after the live examination series.

Cambridge Assessment International Education is part of the Cambridge Assessment Group. Cambridge Assessment is the brand name of the University of Cambridge Local Examinations Syndicate (UCLES), which itself is a department of the University of Cambridge.

© UCLES 2021