Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/21**

Paper 2 Business Concepts 2 **October/November 2023**

1 hour 30 minutes

7281188601

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. Any blank pages are indicated.

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1 Plasshape (PS)

PS manufactures plastic packaging for industrial markets (B2B). Its customers include food manufacturers and cosmetics firms. PS has 500 employees in each of two countries with a similar factory in each country. Employee payment methods and non-financial motivators vary in each factory.

In country Z, PS uses time-based payment methods, offers employee development and uses many non-financial motivators. In country V, PS uses piece rate payment methods, but there are fewer opportunities for employee development and non-financial motivators are not used. Some employees are demanding equal pay and opportunities for employee development in both PS factories.

Technology is changing rapidly in the packaging industry. PS's research and development (R&D) team has developed an environmentally friendly type of food packaging. However, this costs more to make and it will need investment in new machinery. This unique new packaging product is expected to increase added value.

Table 1.1 shows a summary of PS's financial data if it does not launch the new packaging product.

Table 1.1 PS's financial data if it does not launch the new packaging product

	$m
Revenue	40
Direct costs	26
Indirect costs	6

If PS launches the new packaging product, Isha, the Finance Manager, forecasts the following changes:

- revenue increases by 30%
- direct costs increase by $6m
- indirect costs increase by $1m.

(a) (i) Identify **one** non-financial motivator. [1]

(ii) Explain the term *piece rate* (line 6). [3]

(b) (i) Refer to Table 1.1 and other information. Calculate the change in forecast profit if the new product is launched. [3]

(ii) Explain **one** way PS could use cost information to improve business performance. [3]

(c) Analyse **two** elements of the marketing mix that PS should consider when launching the new packaging. [8]

(d) Evaluate whether PS should use the same payment method and employee development in both factories. [12]

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2 Direct News (DN)

Shila and Lucy own and manage DN, an online publishing business. DN produces a daily online local newspaper called QNews. Readers pay a subscription to access QNews. DN's mission statement is: 'to be a daily community newspaper for local people, about local people'.

DN recently tested a monthly online magazine aimed at the 18–30 age group called QLine. DN's plan is to stop publishing QNews and produce only QLine. Secondary market research suggests QLine will be popular with national businesses wanting to promote their products.

Shila is aware that revenue from online newspapers is decreasing. However, she has found national market research data about online monthly magazines (see Table 2.1).

Table 2.1 National revenue for online monthly magazines

Revenue source	2020 ($m)	2021 ($m)	2022 ($m)
Subscription	25	60	90
Advertising revenue	25	30	60

Shila thinks that before the business decides to produce QLine, more market research data will be needed. Shila and Lucy will have to decide on new objectives for DN.

To ensure a quality product that meets customer expectations, Lucy thinks it is important to have careful management of the supply chain, from content creation to customer delivery.

(a) (i) Identify **one** function of a manager. [1]

(ii) Explain the term *secondary market research* (lines 6–7). [3]

(b) (i) Refer to Table 2.1. Calculate the percentage increase in total revenue of online monthly magazines from 2020 to 2022. [3]

(ii) Explain **one** additional piece of market research data DN would find useful before making the decision to produce QLine. [3]

(c) Analyse **two** reasons why Shila and Lucy will have to change DN's objectives. [8]

(d) Evaluate the importance to DN of effective supply chain management. [12]

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