Cambridge IGCSE

Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

8053816822

BUSINESS STUDIES **0450/22**

Paper 2 **February/March 2015**

1 hour 30 minutes

Candidates answer on the Question Paper.

Additional Materials: Insert.

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name in the spaces at the top of this page.
Write in dark blue or black pen.
You may use an HB pencil for any diagrams, graphs or rough working.
Do not use staples, paper clips, glue or correction fluid.
DO **NOT** WRITE IN ANY BARCODES.

Answer **all** questions.
The Insert contains the case study.
The business described in this question paper is entirely fictitious.

At the end of the examination, fasten all your work securely together.
The number of marks is given in brackets [ ] at the end of each question or part question.
The total number of marks for this paper is 80.

The syllabus is approved for use in England, Wales and Northern Ireland as a Cambridge International Level 1/Level 2 Certificate.

This document consists of **9** printed pages, **3** blank pages and **1** Insert.

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CAMBRIDGE International Examinations

[Turn over

1 **(a)** Identify and explain **two** ways that LH could increase the added value of its products.

Way 1: .....

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Explanation: .....

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Way 2: .....

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Explanation: .....

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.....[8]

(b) Consider the advantages and disadvantages of the following **three** ways Vijay could use to increase efficiency of the business. Recommend the best way to use. Justify your answer.

Increase the skills of the existing employees: .....

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Purchase automated equipment: .....

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Introduce lean production: .....

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Recommendation: .....

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2 **(a)** Identify and explain **four** stages in the recruitment process for the Operations manager that Vijay should use.

Stage 1: .....

Explanation: .....

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Stage 2: .....

Explanation: .....

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Stage 3: .....

Explanation: .....

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Stage 4: .....

Explanation: .....

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(b) Vijay wants to make sure he has well motivated employees. Consider the advantages and disadvantages of the following **three** ways he could use. Recommend the best one to choose. Justify your answer.

Introduce piece rate: .....

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Use job enrichment: .....

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Improve working conditions in the factory: .....

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Recommendation: .....

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3 **(a)** Vijay is considering using e-commerce to sell LH's products. Identify and explain **two** advantages and **two** disadvantages to LH of using e-commerce.

Advantage 1: .....

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Explanation: .....

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Advantage 2: .....

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Explanation: .....

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Disadvantage 1: .....

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Explanation: .....

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Disadvantage 2: .....

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Explanation: .....

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(b) Consider the following **three** ways Vijay could use in his business to build good customer relationships. Recommend which would be the best way to use. Justify your answer.

Providing good customer service: .....

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Carrying out market research: .....

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Creating customer loyalty schemes: .....

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Recommendation: .....

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4 **(a)** The Government in country X is planning to reduce income tax but increase interest rates. Identify and explain how each of these changes is likely to affect LH.

Reduce income tax: .....

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Increase interest rates: .....

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(b) Refer to Appendix 3. Do you think Vijay should be happy with the financial position of LH? You should include liquidity ratios to help justify your answer.

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