Cambridge IGCSE

Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

CANDIDATE NAME	
CENTRE NUMBER	
CANDIDATE NUMBER	

0742139033

BUSINESS STUDIES **0450/22**

Paper 2 **February/March 2017**

1 hour 30 minutes

Candidates answer on the Question Paper.

No Additional Materials are required.

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** reasons why having a brand image for its products is important to BB.

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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.....[8]

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(b) Consider the advantages and disadvantages of the following **two** ways of increasing BB's profit. Recommend the best way for BB to choose. Justify your answer.

Increasing prices: .....

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Changing to lower cost materials: .....

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Recommendation: .....

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2 **(a)** Identify and explain **four** ways BB could use the Internet.

Way 1: .....

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Explanation: .....

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Way 2: .....

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Explanation: .....

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Way 3: .....

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Explanation: .....

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Way 4: .....

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Explanation: .....

.....[8]

(b) Consider the advantages and disadvantages of the **two** options for BB to expand the business. Recommend the best option to choose. Justify your answer.

Option A: .....

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Option B: .....

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Recommendation: .....

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3 **(a)** Identify and explain **two** benefits to BB of having an organisation chart.

Benefit 1: .....

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Explanation: .....

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Benefit 2: .....

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Explanation: .....

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(b) Refer to Appendix 3. Calculate **two** liquidity ratios for **both** years. Do you think BB is in a good financial position to be able to expand the business? Justify your answer.

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4 **(a)** Identify and explain **two** reasons why batch production is suitable for BB.

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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(b) Consider how the following **three** legal controls might affect BB. Which legal control is likely to have the biggest effect on BB's profit? Justify your answer.

Restrictions on the waste put into rivers:

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All materials used in the product must be listed on the product packaging:

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Restrictions on the youngest age that a person can start work:

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Conclusion: .....

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