Cambridge IGCSE

Cambridge Assessment International Education
Cambridge International General Certificate of Secondary Education

CANDIDATE NAME

CENTRE NUMBER | | | | | |

CANDIDATE NUMBER | | | | |

9203891871

BUSINESS STUDIES **0450/22**

Paper 2 **February/March 2019**

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.

Answer **all** questions.
The Insert contains the case study.
The businesses described in this question paper are 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.

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

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

Cambridge Assessment International Education

© UCLES 2019

[Turn over

1 **(a)** Identify and explain **two** ways a business plan could help Peter when expanding his business.

Way 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Way 2: .....

.....

Explanation: .....

.....

.....

.....

.....

..... [8]

(b) Consider the following **three** ways Peter could use to motivate his employees in the new restaurant. Recommend which way he should choose. Justify your answer.

Pay a higher wage rate than competing restaurants: .....

.....

.....

.....

.....

.....

Use job rotation: .....

.....

.....

.....

.....

.....

Offer free food for the employees to take home each day: .....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

.....

..... [12]

2 **(a)** Identify and explain **two** ways in which the results from the questions in Appendix 1 might affect Peter's decisions about the new service.

Way 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Way 2: .....

.....

Explanation: .....

.....

.....

.....

.....

..... [8]

(b) Consider how the following **three** economies of scale might benefit Peter's business. Which economy of scale is likely to have the biggest effect on profits? Justify your answer.

Purchasing: .....

.....

.....

.....

.....

.....

Technical: .....

.....

.....

.....

.....

.....

Financial: .....

.....

.....

.....

.....

.....

Conclusion: .....

.....

.....

.....

.....

.....

.....

..... [12]

3 **(a)** Identify and explain **two** methods of sales promotion Peter could use for the new service.

Sales promotion method 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Sales promotion method 2: .....

.....

Explanation: .....

.....

.....

.....

.....

..... [8]

(b) Consider the **two** options for the location of the new business. Recommend which option Peter should choose. Justify your answer.

Option 1: .....

.....

.....

.....

.....

.....

.....

.....

Option 2: .....

.....

.....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

.....

.....

.....

..... [12]

4 **(a)** Identify and explain how the following **four** changes might affect the success of the new business.

The economic cycle in country Z moves from boom into recession: .....

.....

.....

.....

.....

.....

Government in country Z lowers income tax: .....

.....

.....

.....

.....

.....

New legal controls so all packaging for takeaways must be able to be recycled: .....

.....

.....

.....

.....

.....

New legal controls that all menus must contain full information on the ingredients used: .

.....

.....

.....

.....

..... [8]

(b) Consider the advantages and disadvantages of the **three** sources of finance outlined in Appendix 3 for the new business. Recommend which source of finance Peter should choose. Justify your choice using cost comparisons for each source.

1 year bank loan: .....

.....

.....

.....

.....

.....

3 year bank loan: .....

.....

.....

.....

.....

.....

Retained profit: .....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

..... [12]

BLANK PAGE

BLANK PAGE

BLANK PAGE

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 2019