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BUSINESS STUDIES **0450/22**

Paper 2 Case Study **February/March 2020**

INSERT **1 hour 30 minutes**

INFORMATION

- This insert contains the case study.
- You may annotate this insert and use the blank spaces for planning. **Do not write your answers** on the insert.

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This document has **4** pages. Blank pages are indicated.

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Bright Windows (BW)

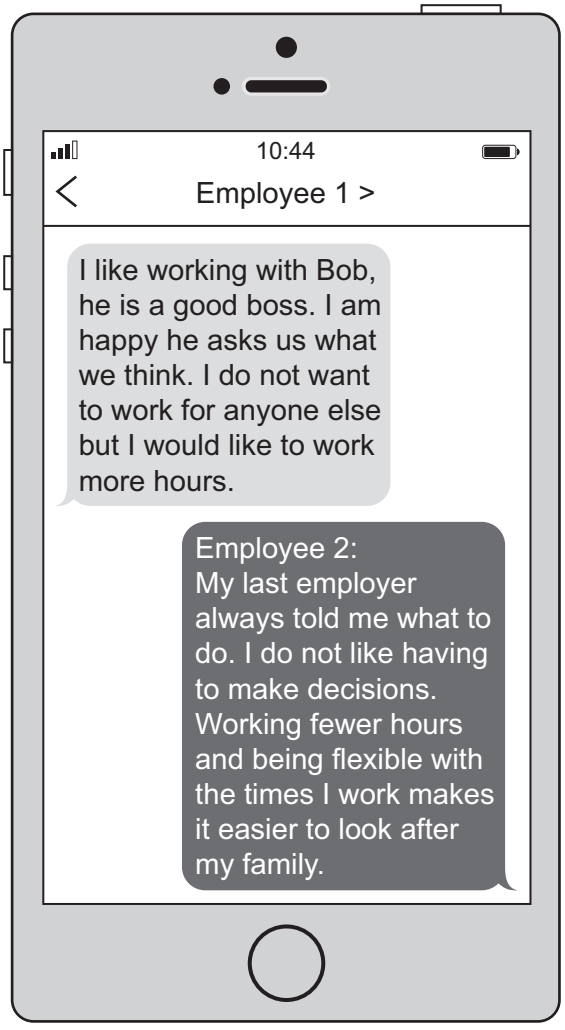
Bob recently set up BW, a window washing business after he had been unemployed for 7 months. Many home owners are extremely busy and find it difficult to find the time to wash the windows in their houses. Increasing incomes have also led to a high demand for window washing services. The primary market research carried out by Bob before setting up his business confirmed this high demand. Bob used sampling when carrying out a questionnaire.

Bob is a sole trader. He invested $2 000 to get his business started and to provide working capital. He needed $250 to purchase ladders, buckets and cleaning products. He also needed transport to travel between customers houses. Bob decided to lease a van at a cost of $150 per month. Bob has to pay wages to his 2 part-time employees of $300 per month each.

Bob only has a few regular customers and he needs to promote the business to attract more customers. He is considering printing leaflets, advertising in local newspapers or just relying on social media. He has to decide which method of promotion to use. He hopes his regular customers will tell their friends about BW's excellent services. If the promotion is successful he will need to ensure his employees can meet this higher demand.

Appendix 1

Text message from one BW employee to another BW employee



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Appendix 2

Summary of costs, price and demand for BW	
Fixed cost per month	$1250
Variable cost per house cleaned	$1
Price per house	$11
Average number of customers per month	225

Appendix 3

Article in the national newspaper

Main News 10 February 2020

Should window washing become more environmentally friendly?

The most effective products used to wash windows contain chemicals which damage the environment. However, these products reduce the time taken to wash windows by 50%.

Many window washing businesses use plastic bottles as containers for all their cleaning products. Most of these bottles cannot be refilled or recycled.

Washing windows can use a lot of water which reduces the amount of water available for other uses. Recently a new machine has been developed for washing windows which is very efficient and recycles the water it uses. Each machine costs $1000.

The Government is being encouraged by environmental pressure groups to introduce legal controls over the window washing industry.

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