Cambridge Assessment International Education

Cambridge IGCSE™

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

8605031596

BUSINESS STUDIES **0450/22**

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

1 hour 30 minutes

You must answer on the question paper.

You will need: Insert (enclosed)

INSTRUCTIONS

- Answer **all** questions.
- Use a black or dark blue pen. You may use an HB pencil for any diagrams or graphs.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen or correction fluid.
- Do **not** write on any bar codes.
- You may use a calculator.

INFORMATION

- The total mark for this paper is 80.
- The number of marks for each question or part question is shown in brackets [ ].
- The insert contains the case study.

This document has **12** pages. Blank pages are indicated.

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[Turn over

1 **(a)** Explain **four** reasons why a person may set up their own business.

Reason 1: .....

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Reason 2: .....

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Reason 3: .....

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Reason 4: .....

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..... [8]

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(b) Explain the benefits to BW of employing part-time employees and full-time employees. Do you think Bob should continue to employ only part-time employees? Justify your answer.

Part-time employees: .....

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Full-time employees: .....

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Conclusion: .....

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..... [12]

2 **(a)** Explain **two** reasons why Bob used sampling when carrying out a questionnaire.

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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..... [8]

(b) Explain the following **three** methods of promotion BW could use. Which method should Bob use? Justify your answer.

- Leaflets
- Advertise in local newspaper
- Social media

Leaflets: .....

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Advertise in local newspaper: .....

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Social media:.....

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Recommendation: .....

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..... [12]

3 **(a)** Explain **two** reasons why working capital is important to BW.

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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..... [8]

(b) Consider the **three** main styles of leadership Bob could use in his business. Which leadership style do you think he should use? Justify your answer.

Leadership style 1: .....

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Leadership style 2: .....

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Leadership style 3: .....

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Recommendation: .....

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4 (a) (i) Calculate the break-even level of output for BW using the information in Appendix 2.

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..... [2]

(ii) Calculate the margin of safety for BW using the information in Appendix 2.

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..... [2]

(iii) Identify **four** ways break-even analysis can be useful to a business.

Way 1: .....

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Way 2:.....

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Way 3:.....

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Way 4:.....

..... [4]

(b) Consider the following **three** options for BW. Which option should Bob choose to improve BW's reputation? Justify your answer.

Option 1: Use cleaning products that contain chemicals
Option 2: Use bottles that can be refilled with cleaning products
Option 3: Purchase a new window washing machine

Option 1: .....

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Option 2: .....

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Option 3: .....

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Recommendation: .....

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..... [12]

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