UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

2886102877

BUSINESS STUDIES **0450/23**

Paper 2 **May/June 2012**

1 hour 45 minutes

Candidates answer on the Question Paper.

No Additional Materials are required.

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name on all the work you hand in.
Write in dark blue or black pen.
Do not use staples, paper clips, highlighters, 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.

For Examiner's Use	
1	
2	
3	
4	
5	
Total	

This document consists of **11** printed pages, **1** blank page and **1** Insert.

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1 **(a)** Identify and explain **two** advantages and **two** disadvantages to Vijay Singh of the business being a private limited company instead of a partnership.

For Examiner's Use

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: .....

..... [8]

(b) Vijay wants new shareholders to invest in the company. Consider **four** different pieces of financial information someone would want to see before deciding whether to become a shareholder. Justify why each piece of information would be important in helping to decide whether or not to invest in the company.

For Examiner's Use

Information 1: .....

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Explanation: .....

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Information 2: .....

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Explanation: .....

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Information 3: .....

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Explanation: .....

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Information 4: .....

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Explanation: .....

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..... [12]

2 **(a)** Producing good quality school uniforms is very important to SCS. Identify and explain **two** reasons why good quality products are important to SCS.

For Examiner's Use

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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(b) Appendix 3 informs Vijay that there are new laws which cover health and safety, employment and consumer protection. How important do you think each of these laws will be to SCS? Justify your answer.

For Examiner's Use

Health and safety: .....

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Employment: .....

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Consumer protection: .....

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..... [12]

3 **(a)** Good communication is important to business. Using **two** possible examples from SCS, explain how poor communication could affect the business.

For Examiner's Use

Example 1: .....

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Explanation: .....

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Example 2: .....

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Explanation: .....

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(b) Consider **three** types of training SCS could use for its newly recruited production workers. Recommend which **one** of the three types of training you think will be the most effective in increasing the productivity of its new production workers. Justify your choice.

For Examiner's Use

Type 1: .....

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Type 2: .....

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Type 3: .....

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Recommendation: .....

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4 **(a)** Identify and explain **two** possible benefits for SCS of selling its uniforms on the Internet as well as through retail shops.

For Examiner's Use

Benefit 1: .....

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Explanation: .....

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Benefit 2: .....

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Explanation: .....

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(b) For each item of secondary information listed below, consider how it might affect SCS's marketing decisions.

For Examiner's Use

Number of schools in the country with their own specially designed uniforms: .....

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Where competitors' products are sold: .....

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Competitors' prices: .....

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..... [12]

5 **(a)** SCS uses batch production to manufacture its uniforms. Identify and explain **one** advantage and **one** disadvantage to SCS of using batch production.

For Examiner's Use

Advantage: .....

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Explanation: .....

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Disadvantage: .....

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Explanation: .....

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(b) Consider the advantages and disadvantages of Option 1 and Option 2. Recommend which option you think Vijay should choose. Justify your choice by calculating profitability ratios using information from Appendix 2.

For Examiner's Use

Option 1: .....

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Option 2: .....

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Recommendation: .....

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