UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

BUSINESS STUDIES **0450/23**

Paper 2 **May/June 2013**

INSERT

1 hour 45 minutes

READ THESE INSTRUCTIONS FIRST

This Insert contains the case study material.
Anything the candidate writes on this Insert will not be marked.

This document consists of **3** printed pages and **1** blank page.

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Pete's Paints (PP)

PP manufactures paint. The paint is sold through four small shops that PP owns in country X. The business is a private limited company. Pete is the Managing Director and his three brothers are the only other shareholders.

The business has been trading successfully for 20 years. However, over the last two years PP's sales have fallen. Pete thinks this is caused by the recession and believes things will improve in the coming years. Another problem is increased competition from new paint manufacturers that sell to both large and small shops.

PP makes and sells many different types of paint. Consumers use the paint for painting the inside and outside of houses. PP's shops also sell brushes and other equipment to use with the paint.

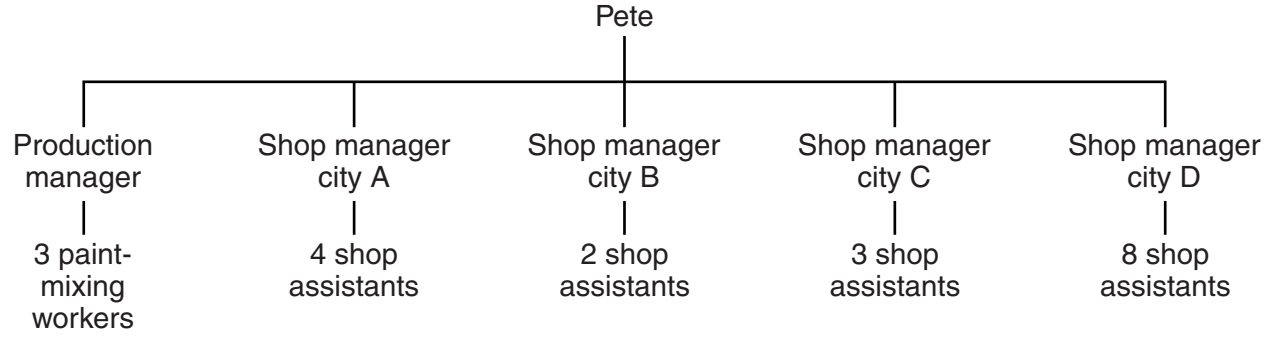
Appendix 1

Financial information about PP ($000s)

	2011	**2012**
Capital employed	100	100
Sales revenue	300	200
Cost of goods sold	60	40
Expenses	210	150
Net profit	30	10

Appendix 2

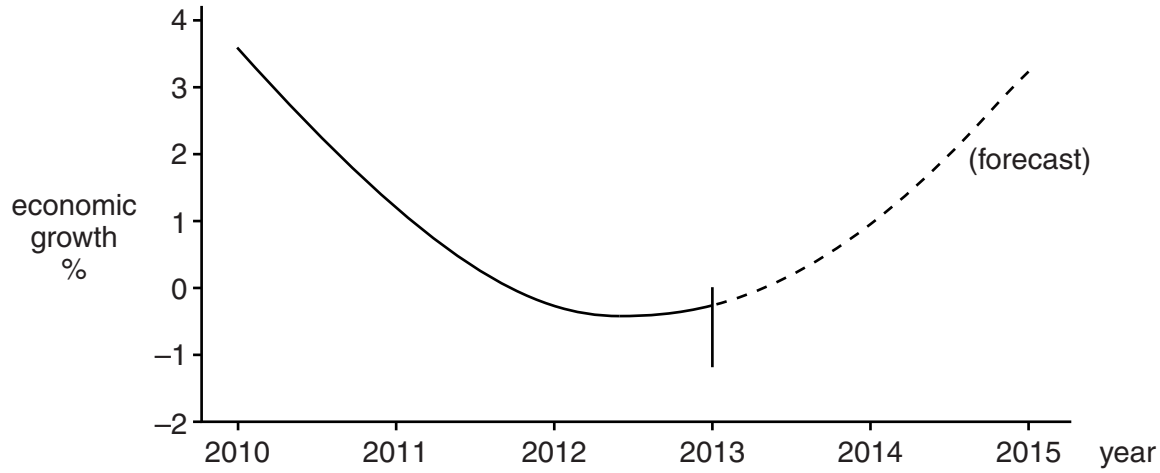
Organisational structure of PP



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Appendix 3

Business (trade) cycle in country X



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