UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER			

9662373345

BUSINESS STUDIES **0450/23**

Paper 2 **May/June 2013**

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.

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

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1 **(a)** Country X has a mixed economy. Identify and explain **four** ways the Government can affect a business in this type of economy.

For Examiner's Use

Way 1: .....

Explanation: .....

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Way 2: .....

Explanation: .....

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Way 3: .....

Explanation: .....

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Way 4: .....

Explanation: .....

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.....[8]

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(b) Consider **three** ways Pete could increase sales revenue. Which way would you recommend? Justify your answer.

For Examiner's Use

Way 1: .....

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Way 2: .....

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Way 3: .....

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Recommendation: .....

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.....[12]

2 **(a)** PP plans to open a factory in country Z. Identify and explain **four** problems it might have when locating a factory in another country, such as country Z.

For Examiner's Use

Problem 1: .....

Explanation: .....

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Problem 2: .....

Explanation: .....

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Problem 3: .....

Explanation: .....

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Problem 4: .....

Explanation: .....

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.....[8]

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(b) PP is planning to sell a wider range of colours of paint in its shops. Consider the advantages and disadvantages of each of the following methods of primary research. Recommend which method you think should be chosen. Justify your answer.

For Examiner's Use

Questionnaires: .....

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Interviews: .....

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Focus group (consumer panel): .....

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Recommendation: .....

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.....[12]

3 **(a)** Identify **two** financial statements used by PP. Explain how each of these statements might be helpful when making important management decisions.

For Examiner's Use

Statement 1: .....

Explanation: .....

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Statement 2: .....

Explanation: .....

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(b) Refer to Appendix 1. Do you think Pete should be happy with PP's profitability? Justify your answer using appropriate ratios.

For Examiner's Use

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For Examiner's Use

4 **(a)** Pete needs to send detailed information to the shop managers. Identify and explain **two** suitable methods of communication.

Method 1: .....

Explanation: .....

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Method 2: .....

Explanation: .....

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.....[8]

(b) Pete may have to close one of the shops. Explain **three** factors he should consider when deciding which shop to close. Which factor do you think is the most important when making this decision? Justify your answer.

For Examiner's Use

Factor 1: .....

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Factor 2: .....

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Factor 3: .....

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Recommendation: .....

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.....[12]

5 **(a)** Identify and explain **two** ways that the business cycle shown in Appendix 3 could affect PP.

For Examiner's Use

Way 1: .....

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Explanation: .....

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Way 2: .....

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Explanation: .....

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5 **(b)** Pete has decided to reduce the number of shop assistants. Explain **three** factors he should consider when deciding which shop assistants to make redundant. Which factor do you think is the most important? Justify your answer.

For Examiner's Use

Factor 1: .....

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Factor 2: .....

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Factor 3: .....

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Conclusion: .....

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.....[12]

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