Cambridge IGCSE

Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

0526047404

BUSINESS STUDIES **0450/23**

Paper 2 **May/June 2014**

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, 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.

The syllabus is approved for use in England, Wales and Northern Ireland as a Cambridge International Level 1/Level 2 Certificate.

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

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CAMBRIDGE International Examinations

[Turn over

1 **(a)** Identify and explain **two** benefits to Selina of making most of the jewellery herself rather than buying it from a manufacturer.

Benefit 1: .....

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Explanation: .....

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Benefit 2: .....

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Explanation: .....

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..... [8]

(b) Selina wants to increase sales of her jewellery. Consider the advantages and disadvantages of each of the following ways of promoting the jewellery. Recommend which is the best way to promote the jewellery. Justify your answer.

'Buy one get one free' on certain items of jewellery: .....

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25% price reduction on all jewellery for one month: .....

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Advert in national newspaper: .....

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Recommendation: .....

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..... [12]

2 **(a)** Identify **two** stakeholder groups of Selina's business and explain why their different stakeholder objectives for the business might conflict.

Stakeholder group 1: .....

Stakeholder group 2: .....

Explanation: .....

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(b) As sales have grown, Selina now needs to employ someone to help her make jewellery. Consider the advantages and disadvantages of the **two** people outlined in Appendix 3. Recommend which person Selina should choose. Justify your answer.

Petra: .....

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Misha: .....

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Recommendation: .....

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..... [12]

3 **(a)** Identify and explain **two** factors that affect how much stock of jewellery Selina's shop should have.

Factor 1: .....

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Explanation: .....

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Factor 2: .....

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Explanation: .....

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(b) Consider **three** factors Selina should think about when deciding whether to lease the new machine. Recommend whether she should lease the new machine. Justify your answer.

Factor 1: .....

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Factor 2: .....

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Factor 3: .....

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Recommendation: .....

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..... [12]

4 (a) (i) Refer to Appendix 1. Calculate the break-even sales per month for 2013.

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..... [2]

(ii) Identify and explain **two** benefits to Selina of calculating the break-even sales for the shop.

Benefit 1: .....

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Explanation: .....

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Benefit 2: .....

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Explanation: .....

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..... [6]

(b) Selina wants to expand by opening another shop. Consider the advantages and disadvantages to Selina of Shop 1 and Shop 2 (as outlined in the Insert). Recommend which shop she should choose. Justify your answer.

Shop 1: .....

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Shop 2: .....

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Recommendation: .....

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5 **(a)** Governments often want to encourage the growth of small businesses. Identify and explain **two** reasons why the Government would want to help small businesses like Selina's.

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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..... [8]

(b) The Government of country X is increasing international trade with other countries. Consider the likely advantages and disadvantages of increased international trade for small businesses such as Selina's. Do you think Selina's business will benefit from increased international trade? Justify your answer.

Advantages: .....

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Disadvantages: .....

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Conclusion: .....

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..... [12]

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