Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

BUSINESS STUDIES **0450/23**

Paper 2 **May/June 2015**

INSERT

1 hour 30 minutes

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READ THESE INSTRUCTIONS FIRST

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

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 **3** printed pages and **1** blank page.

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Celebration Biscuits (CB)

Chris is qualified as a chef and baker. He was made redundant from a restaurant after it closed. The Government provides advice to unemployed people to help them start their own business. Chris has had an idea for a business known as Celebration Biscuits (CB). He wants the business to be a partnership and thinks this will be better than a sole trader or a private limited company.

His idea is to make and sell large biscuits with messages on them such as 'Happy Birthday' or 'Congratulations' with the name of the person on them.

Chris has many things to do before he can start trading. He needs to find suppliers of the ingredients and test his recipes. He intends to start by using his own kitchen and oven to bake the biscuits. Chris will have to ensure that each biscuit is always of the highest quality and any broken biscuits will have to be thrown away. Chris could buy a new larger oven for his kitchen and then he would need an employee to help him produce more biscuits.

Marketing will be very important to CB and Chris will need to decide on a marketing mix for his biscuits to improve the chance of the business being successful. His target market is mainly parents giving a celebration biscuit to their children on their birthday.

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Appendix 1

Forecast financial information on two options for CB

The figures are all weekly and in $

	Option A Use new oven to bake 500 biscuits a week	Option B Use his existing oven to bake 250 biscuits a week
Revenue (sales)	4500	2500
Cost of sales (cost of goods sold)	2800	1500
Fixed costs	1000	500

Appendix 2

Proposed newspaper advert for CB



Celebrate a birthday or other happy event by giving a biscuit with a personal message on it. This gift will be unique to the person. Buy them for birthdays, graduation, weddings or any other event you want to celebrate.

Appendix 3

City News **May 2015**

The Government is introducing more laws to protect consumers and employees. This is in addition to the minimum wage law which already exists.

We already have laws to protect the environment and influence business location. The Government thinks it is time to introduce more protection for employees. These laws may not be welcomed by all businesses. However, small business owners will be pleased with the Government's offer of more financial help.

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