Cambridge IGCSE

Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

4276995441

BUSINESS STUDIES **0450/21**

Paper 2 **May/June 2015**

1 hour 30 minutes

Candidates answer on the Question Paper.

Additional Materials: Insert.

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name in the spaces at the top of this page.
Write in dark blue or black pen.
You may use an HB pencil for any diagrams, graphs or rough working.
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 total number of marks for this paper is 80.

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 **9** printed pages, **3** blank pages and **1** Insert.

© UCLES 2015

CAMBRIDGE International Examinations

[Turn over

1 **(a)** Identify and explain **two** characteristics David needs to be a successful entrepreneur.

Characteristic 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Characteristic 2: .....

.....

Explanation: .....

.....

.....

.....

.....

.....[8]

(b) David has appointed a manager to control each department as shown in Appendix 1. Identify and explain **three** management functions of the Operations manager. Which do you think is the most important management function? Justify your answer.

Function 1: .....

Explanation: .....

.....

.....

.....

.....

Function 2: .....

Explanation: .....

.....

.....

.....

.....

Function 3: .....

Explanation: .....

.....

.....

.....

.....

Most important function for Operations manager: .....

.....

.....

.....

.....

.....

.....[12]

2 **(a)** Identify and explain **two** ways in which marketing is important for DD.

Way 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Way 2: .....

.....

Explanation: .....

.....

.....

.....

.....

.....[8]

(b) Consider the advantages of using e-commerce and the advantages of selling to supermarkets in other countries. Recommend which way DD should use to increase sales. Justify your answer.

E-commerce: .....

.....

.....

.....

.....

.....

.....

.....

Selling to supermarkets in other countries: .....

.....

.....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

.....

.....[12]

3 **(a)** The company Balance Sheet helps David assess the performance of the business.

(i) Calculate the current ratio and acid test ratio for 2014.

.....

.....

.....

.....

.....

.....

.....

.....[4]

(ii) Compare your **two** ratio results with those of 2013 (see Appendix 2).

.....

.....

.....

.....

.....

.....

.....

.....[4]

(b) David wants to increase efficiency in his factory. Consider Option A and Option B and then recommend which one he should choose. Justify your answer.

Option A: .....

.....

.....

.....

.....

.....

.....

.....

Option B: .....

.....

.....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

.....

.....[12]

4 **(a)** Identify and explain **four** factors DD should consider when packaging cakes if they are exported.

Factor 1: .....

.....

Explanation: .....

.....

Factor 2: .....

.....

Explanation: .....

.....

Factor 3: .....

.....

Explanation: .....

.....

Factor 4: .....

.....

Explanation: .....

.....[8]

(b) External factors can affect the profitability of a company. For each of the following changes consider how it might affect DD's profit. Which change is likely to have the greatest effect on DD's profit? Justify your answer.

Increasing GDP in country X: .....

.....

.....

.....

.....

.....

Reduced supply of the raw materials used to make cakes: .....

.....

.....

.....

.....

.....

.....

Television programme highlighting the effects on health of eating too many cakes: .....

.....

.....

.....

.....

.....

.....

Conclusion: .....

.....

.....

.....

.....

.....[12]

BLANK PAGE

© UCLES 2015

BLANK PAGE

BLANK PAGE

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge International Examinations Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cie.org.uk after the live examination series.

Cambridge International Examinations is part of the Cambridge Assessment Group. Cambridge Assessment is the brand name of University of Cambridge Local Examinations Syndicate (UCLES), which is itself a department of the University of Cambridge.