Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

4626139464

BUSINESS STUDIES **0450/23**

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 on all the work you hand in.
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 and **3** blank pages and **1** Insert.

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1 **(a)** Chris wants to start up a new business. Identify and explain **two** ways Governments can support new business start-ups.

Way 1: .....

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Explanation: .....

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Way 2: .....

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Explanation: .....

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.....[8]

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(b) Chris will need to communicate with his suppliers when ordering ingredients. Consider the advantages and disadvantages of **three** methods he could use to communicate with his suppliers. Recommend the best method for him to choose if the order is urgent. Justify your answer.

Method 1: .....

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Method 2: .....

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Method 3: .....

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Recommend the best method to use when the order is urgent: .....

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.....[12]

2 **(a)** Identify and explain **two** reasons why marketing is important to CB when Chris starts his new business.

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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(b) Chris has to decide on the 'place' part of his marketing mix. Consider the advantages and disadvantages of the **three** following methods of distributing his biscuits to the target market. Recommend which will be the best one to use. Justify your choice.

Selling through his own stalls in shopping malls:.....

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Selling through a website:.....

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Selling to large supermarkets: .....

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Recommendation:.....

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.....[12]

3 **(a)** Chris knows quality will be very important when producing his products. Identify and explain **two** ways Chris could achieve quality production.

Way 1: .....

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Explanation: .....

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Way 2: .....

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Explanation: .....

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(b) Chris has **two** options to start up his business. Consider Option A and Option B. Recommend which option he should choose. Justify your answer by calculating the profitability of each of the two options.

Option A: .....

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Option B: .....

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Recommendation: .....

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.....[12]

4 **(a)** Governments pass laws which affect businesses such as minimum wage laws. Identify and explain **two** legal controls (other than minimum wage laws) which could affect Chris's new business.

Legal control 1: .....

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Explanation: .....

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Legal control 2: .....

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Explanation: .....

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.....[8]

(b) Chris is thinking of starting his business as a partnership rather than as a sole trader or a private limited company. Explain why the following **three** factors are important to Chris when deciding on the type of business organisation to choose. Do you think Chris's decision to start his business as a partnership is the right one? Justify your answer.

Liability: .....

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Finance: .....

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Owner's experience in managing a business: .....

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Conclusion: .....

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.....[12]

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