Cambridge IGCSE

Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

BUSINESS STUDIES **0450/23**

Paper 2 **May/June 2017**

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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SC Cars (SC)

SC is a public limited company that has been producing cars for 25 years in country M. It uses flow production with modern technology, such as robots, to manufacture the cars. This allows each car to be produced to the exact requirements of the customer who ordered it. To do this, each car has a bar-code that indicates how it is to be produced with slight differences from the next car. For example, one car may have black paint and 2 doors and the next car red paint and 4 doors.

The quality method used is quality control. The Operations manager believes that without a good reputation the business would fail. She knows that technology is important to keep the business efficient and competitive.

SC employs 300 workers on the production line. There are two shifts each day: an early shift of 8 hours and a late shift of 8 hours. There is a 6-day working week. Few holidays are allowed apart from national holidays. The workers complain that the working conditions are not good.

The directors want the business to expand by starting to export cars to nearby countries. Finance is available for this expansion.

Appendix 1

Advert for SC produced by an advertising agency

SC Cars



☆ Fast
☆ Fuel efficient

- Suitable for all the family
- Better than imported cars
- Loans available for the purchase of a new car
- Car insurance free for a year

Visit your local car showroom today to see our new range of cars.

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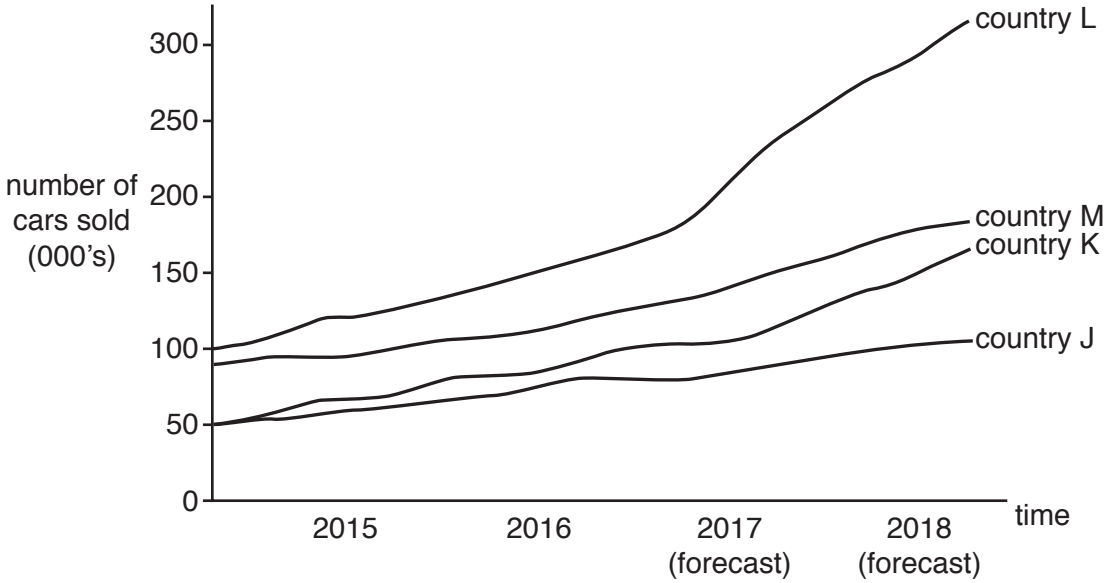
Appendix 2

Financial information for SC ($m)

	2015	2016
Revenue	200	250
Cost of sales	160	210
Expenses	30	30
Capital employed	40	50
Of which:		
Long-term bank loans	20	30
Average share price for SC	$14 per share	$15 per share

Appendix 3

Graph of car sales in selected countries 2015–2018



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