Cambridge IGCSE

Cambridge Assessment International Education
Cambridge International General Certificate of Secondary Education

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

8234550766

BUSINESS STUDIES **0450/23**

Paper 2 **May/June 2019**

1 hour 30 minutes

Candidates answer on the Question Paper.

No Additional Materials are required.

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 businesses described in this question paper are 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.

This syllabus is regulated 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.

Cambridge Assessment International Education

© UCLES 2019

[Turn over

1 **(a)** Identify and explain **two** reasons why the Government helped Peter start up his new business.

Reason 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Reason 2: .....

.....

Explanation: .....

.....

.....

.....

.....

..... [8]

(b) Consider the following **three** pricing methods VC could use for its new products. Which method should Peter choose? Justify your answer.

Penetration pricing: .....

.....

.....

.....

.....

.....

Price skimming: .....

.....

.....

.....

.....

.....

Cost plus pricing: .....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

.....

..... [12]

2 **(a)** Identify and explain **two** possible reasons for the failure of the business that Peter used to work for.

Reason 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Reason 2: .....

.....

Explanation: .....

.....

.....

.....

.....

..... [8]

© UCLES 2019

(b) Consider the following **three** ways Peter could recruit a new skilled worker. Recommend which would be the best way to use. Justify your answer.

Ask family and friends if they know someone suitable: .....

.....

.....

.....

.....

.....

Use a job vacancy website: .....

.....

.....

.....

.....

.....

Use a recruitment agency: .....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

.....

..... [12]

3 **(a)** Identify and explain **two** reasons why building customer relationships is important for VC.

Reason 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Reason 2: .....

.....

Explanation: .....

.....

.....

.....

.....

..... [8]

© UCLES 2019

(b) Consider how the following **three** factors can affect the accuracy of the questionnaire data. Which is the most important factor for achieving accurate results? Justify your answer.

Sample size: .....

.....

.....

.....

.....

.....

Location where questionnaire is carried out: .....

.....

.....

.....

.....

.....

Questions asked: .....

.....

.....

.....

.....

.....

Conclusion: .....

.....

.....

.....

.....

.....

.....

..... [12]

4 **(a)** Identify and explain **one** advantage and **one** disadvantage to VC of using job production.

Advantage: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Disadvantage: .....

.....

Explanation: .....

.....

.....

.....

.....

..... [8]

(b) Using Appendix 3 and other information, consider whether Peter should be worried about VC's profitability. Justify your answer using profitability ratios.

.... [12]

© UCLES 2019

BLANK PAGE

© UCLES 2019

BLANK PAGE

© UCLES 2019

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 Assessment International Education Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cambridgeinternational.org after the live examination series.

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