Cambridge Assessment International Education

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2299541310

BUSINESS STUDIES **0450/22**

Paper 2 Case Study **May/June 2020**

1 hour 30 minutes

You must answer on the question paper.

You will need: Insert (enclosed)

INSTRUCTIONS

- Answer **all** questions.
- Use a black or dark blue pen. You may use an HB pencil for any diagrams or graphs.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen or correction fluid.
- Do **not** write on any bar codes.
- You may use a calculator.

INFORMATION

- The total mark for this paper is 80.
- The number of marks for each question or part question is shown in brackets [ ].
- The insert contains the case study.

This document has **12** pages. Blank pages are indicated.

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[Turn over

1 **(a)** Explain **one** benefit and **one** problem for ES of taking over other businesses.

Benefit: .....

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Explanation: .....

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Problem: .....

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Explanation: .....

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..... [8]

(b) Consider the financial information in Appendix 1. Which company should ES take over? Justify your answer using appropriate ratios.

ABC Company: .....

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FGH Company: .....

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Recommendation: .....

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..... [12]

2 **(a)** Explain **four** ways a business plan can be useful.

Way 1: .....

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Way 2: .....

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Way 3: .....

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Way 4: .....

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(b) ES has been considering the following **three** methods of promotion for its products in export markets. Which method should ES choose? Justify your answer.

- Advertise on national television
- Advertise on ES website
- Display its products in shopping malls

Advertise on national television:.....

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Advertise on ES website:.....

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Display its products in shopping malls:.....

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Recommendation:.....

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..... [12]

3 **(a)** Explain **two** benefits to ES of higher productivity.

Benefit 1: .....

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Explanation:.....

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Benefit 2: .....

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Explanation: .....

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..... [8]

(b) Consider **three** methods of motivation ES could use for its production workers. Which is the best method for ES to choose? Justify your answer.

Method 1: .....

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Method 2: .....

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Method 3: .....

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Conclusion: .....

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4 **(a)** Explain how the following **four** legal controls may affect ES.

- Control over misleading promotion
- Control over faulty products
- Control over location decisions
- Control over pollution

Misleading promotion:.....

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Faulty products: .....

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Location: .....

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Pollution:.....

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..... [8]

(b) Consider the effect on ES of the following **two** economic changes in country Z. Which change is likely to have the biggest effect on ES's profit? Justify your answer.

- Increasing unemployment
- Increasing inflation

Increasing unemployment: .....

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Increasing inflation: .....

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Conclusion: .....

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