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BUSINESS STUDIES **0450/22**

Paper 2 Case Study **May/June 2025**

INSERT **1 hour 30 minutes**

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INFORMATION

- This insert contains the case study.
- You may annotate this insert and use the blank spaces for planning. **Do not write your answers** on the insert.

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Tennis and Sports Equipment (TSE)

TSE is a successful multinational company. It has its head office in country P. TSE has factories in 10 countries producing its high-quality sports equipment. It sells its products in 30 countries and plans to enter a new market in another country. TSE has many stakeholder groups with different objectives.

TSE uses market research in the countries where its products are sold. There are many different sports played in these 30 countries and some sports are popular in only one country.

Raw materials, such as plastic and rubber, are used to make the sports equipment. These are often produced near to TSE's factories. All purchases of raw materials are currently made by the head office in country P. However, TSE's directors are considering whether to allow the factory managers in each country to purchase raw materials locally.

TSE's Human Resources Director knows that having a well-motivated workforce is important as it reduces absenteeism and lowers labour turnover. Most of TSE's production employees are skilled and all work full time. Some of TSE's factories use new technology and have an automated flow production line. However, to remain competitive TSE needs to make sure all of its factories are as efficient as possible.

TSE sells 30% of its total output in country P. The directors want to increase market share in country P and plan to take over a competitor. Appendix 3 includes information about two companies TSE could take over.

Appendix 1

Advertisement for TSE



Need new sports equipment so you can be the best at your sport?

Whatever your sport, badminton, football or tennis, we have the most up-to-date equipment.

From balls to bats we produce it all at a range of prices.

Be the best and choose TSE!

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Appendix 2

Newspaper article from Main News in country P, 1 May 2025

The country has enjoyed several years of increasing economic growth. However, country P is now moving into the recession stage of the business cycle. Businesses will be affected in either positive ways or negative ways.

Unemployment is starting to rise and it is expected this will continue for the next year.

Appendix 3

Extracts from the income statements for 2024 for the two companies TSE could take over in country P

	Company A	Company B
Revenue	$100m	$200m
Cost of sales	$40m	$90m
Expenses	$40m	$60m

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