Cambridge Assessment International Education

Cambridge IGCSE™

BUSINESS STUDIES **0450/23**

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

INSERT **1 hour 30 minutes**

9689622773-I

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.

DC (SL) 346202/2
© UCLES 2025

Vegan Veg (VV)

Jemi has always wanted to own a business. She is planning to buy a franchise called VV, a restaurant brand that only serves vegan meals. The meals do not contain any ingredients made from animal products. Market segmentation is important to VV. There has been an increasing trend for people to eat vegan meals.

Jemi will need to decide the best location for her restaurant. There are three possible locations outlined in Appendix 2. The restaurant will serve a wide range of vegan meals and Jemi will purchase ingredients, including fruit and vegetables, directly from local suppliers.

Jemi will employ a chef to cook the meals. The chef will be expected to work 40 hours a week. Jemi has identified the two best applicants. Their details are shown in Appendix 1.

As well as a chef, Jemi plans to employ another 3 people to help in the kitchen and 8 people to serve customers in the restaurant. Jemi knows that keeping these employees motivated will be important. She is considering using job enrichment or giving a discount on meals in the restaurant to keep her employees motivated.

Jemi is going to use her own capital of $50 000 to buy the franchise, but she will also need a source of external finance to help set up the business. Jemi knows that the profitability and liquidity ratios for her restaurant will be important for the success of her business.

Appendix 1

Information about two applicants for the position of chef at Jemi's restaurant

	Tianna	Vea
Wage rate to be paid	$12 per hour	$8 per hour
Experience	Fully qualified as a chef Worked as a chef in several restaurants for 20 years	Part-qualified as a chef Worked for 10 years as an assistant chef in the kitchens of several vegan restaurants
Training required	Training at another VV restaurant Cost = $1000 2 weeks to complete	Chef training course at college Cost = $10 000 10 weeks to complete

© UCLES 2025

Appendix 2

Three possible locations for the new restaurant

Location A
- On a main road in the centre of Main City
- An area popular with tourists and workers in the city
- Many restaurants in the city centre
- Low unemployment

Location B
- In a shopping mall on the edge of Main City
- Visited mainly by families
- Mall is open 06:00 to 18:00
- No restaurants in the mall
- Low unemployment

Location C
- In a small town
- High unemployment
- Several restaurants visited by many local people

Appendix 3

Newspaper article from Main News, 3 May 2025

A recent government report said that everyone should be eating more fruit and vegetables. It found that this is particularly important to help keep children healthy and to live a long life. Eating less meat is also good for the environment.

Five years ago, only 10% of the population ate vegan meals but this percentage has increased to 25%. It is forecast that this trend will continue.

Many well-known restaurants are adding vegan meals to their menus. There are also new vegan restaurants being opened. However, it is getting more difficult to find reliable suppliers of fruit and vegetables. Restaurants are now having to buy from suppliers that are further away.

© UCLES 2025

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 Cambridge Assessment. Cambridge Assessment is the brand name of the University of Cambridge Local Examinations Syndicate (UCLES), which is a department of the University of Cambridge.

© UCLES 2025