UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

0662105516

BUSINESS STUDIES **0450/23**

Paper 2 **October/November 2010**

1 hour 45 minutes

Candidates answer on the Question Paper.

Additional Materials: Insert

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name on all the work you hand in.
Write in dark blue or black pen.
Do not use staples, paper clips, highlighters, 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.

For Examiner's Use	
1	
2	
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Total	

This document consists of **11** printed pages, **1** blank page and **1** Insert.

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1 **(a)** The Four J's Café is a small business. Identify **two** ways of measuring the size of a business and explain one problem with each of these ways of measuring size.

For Examiner's Use

Size measured by: .....

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Problem: .....

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Size measured by: .....

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Problem: .....

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..... [8]

(b) Governments often help small businesses. Identify **four** ways the Government could help small café businesses. For each of these ways, explain why you think it will be effective. Justify your answer.

For Examiner's Use

Way Government helps: .....

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Explanation: .....

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Way Government helps: .....

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Explanation: .....

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Way Government helps: .....

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Explanation: .....

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Way Government helps: .....

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Explanation: .....

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2 **(a)** Internal and external communication is important to any business. Identify **four** methods of communication which might be suitable for the café to use and explain why each method would be suitable.

For Examiner's Use

Communication method 1: .....

Explanation: .....

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Communication method 2: .....

Explanation: .....

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Communication method 3: .....

Explanation: .....

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Communication method 4: .....

Explanation: .....

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(b) The owners of the café want to encourage young people to visit the café in the evenings. Consider **four** suitable methods of advertising or promotional offers the owners of the café could use to attract these customers. Recommend which method would be the most effective to use. Justify your choice.

For Examiner's Use

Method 1: .....

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Method 2: .....

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Method 3: .....

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Method 4: .....

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Recommendation: .....

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3 **(a)** Explain **two** reasons why profits are important to the Four J's Café.

For Examiner's Use

Reason 1: .....

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Reason 2: .....

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(b) Using the information in Appendix 1 and Appendix 3, do you think the owners of the Four J's Café should be satisfied with the profitability of the business? Justify your answer using profitability ratios.

For Examiner's Use

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4 **(a)** Identify **two** stakeholder groups in the Four J's Café and explain one main objective for each of these stakeholder groups.

For Examiner's Use

Stakeholder group 1: .....

Objective: .....

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Stakeholder group 2: .....

Objective: .....

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(b) The owners of the café want to expand the business. Consider the advantages and disadvantages of the **three** options outlined in the case and recommend which option they should choose. Justify your choice.

For Examiner's Use

Option 1 (buy a building in New City centre): .....

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Option 2 (expand existing café): .....

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Option 3 (sell franchise): .....

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Recommendation: .....

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5 **(a)** Identify and explain **two** reasons why the Four J's Café may want to use **internal** recruitment when selecting a new manager to run the café.

For Examiner's Use

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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(b) The market segment currently targeted by the business is young people. Identify a different market segment that the café could target. Recommend and explain a suitable marketing mix for the café if the owners decide to target the market segment you have identified.

For Examiner's Use

New market segment: .....

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Marketing mix for new market segment: .....

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