UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

2267850567

BUSINESS STUDIES **0450/23**

Paper 2 **October/November 2012**

1 hour 45 minutes

Candidates answer on the Question Paper.

No Additional Materials are required.

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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5	
Total	

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

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1 **(a)** The brothers want Carefree Campsites to be profitable. Identify and explain **two** other possible objectives of the business.

For Examiner's Use

Objective 1: .....

Explanation: .....

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Objective 2: .....

Explanation: .....

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(b) The brothers decided to form a partnership. They could have formed a private limited company. Consider the advantages and disadvantages of these **two** types of business organisation. Do you think the brothers were right to form a partnership? Justify your answer.

For Examiner's Use

Partnership: .....

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Private limited company: .....

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Conclusion: .....

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2 **(a)** Before starting their business, the brothers want to carry out primary market research. Identify and explain **two** different methods of primary market research they could use.

For Examiner's Use

Method 1: .....

Explanation: .....

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Method 2: .....

Explanation: .....

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(b) Consider why each of the following types of information is important for the brothers to think about before setting up Carefree Campsites.

For Examiner's Use

Sales forecasts: .....

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Costs of all the assets needed to start the business: .....

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A cash flow forecast: .....

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3 **(a)** Litter (rubbish) is an example of an external cost which might result from the campsite. Identify **two** other possible external costs which might occur if the campsite is set up at site B. Explain **why** each of your examples is an external cost.

For Examiner's Use

External cost 1: .....

Explanation: .....

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External cost 2: .....

Explanation: .....

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(b) Consider the advantages and disadvantages of each of the three sites and recommend which location the brothers should choose. Justify your choice with calculations using the data in Appendix 1 and other information in the case.

For Examiner's Use

Site A: .....

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Site B: .....

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Site C: .....

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Recommendation: .....

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4 **(a)** Governments often encourage foreign tourists to visit their country. Identify and explain **two** reasons why Governments might do this.

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) Chris thinks they should lease caravans. They could then rent out these caravans on their campsite. James thinks they should borrow capital to buy the caravans. Harry thinks they should just let customers bring their own caravans. Consider the advantages and disadvantages for the business of each of these options. Recommend which option they should choose. Justify your choice.

For Examiner's Use

Lease caravans to rent to customers: .....

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Buy caravans to rent to customers: .....

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Customers bring their own caravans: .....

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Recommendation: .....

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5 **(a)** Before the campsite can open the brothers will need to recruit workers. The first stage of the recruitment and selection process will be to produce a job description.

For Examiner's Use

Identify and explain **four** other stages of the recruitment and selection process the brothers will need to use.

Stage: .....

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Explanation: .....

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Stage: .....

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Explanation: .....

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Stage: .....

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Explanation: .....

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Stage: .....

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Explanation: .....

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(b) The Internet is very useful to businesses today. Consider **three** ways the Internet could be of benefit to Carefree Campsites. Justify why each way would be beneficial to Carefree Campsites.

For Examiner's Use

Way 1: .....

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Way 2: .....

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Way 3: .....

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