UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

BUSINESS STUDIES **0450/21**

Paper 2 **October/November 2013**

INSERT

1 hour 45 minutes

READ THESE INSTRUCTIONS FIRST

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Yum Yum Food

Three years ago Shahila started a food stall called Yum Yum Food. She is a sole trader. The stall sells hot food and is located in the centre of the capital city. This area has a lot of customers from local workers and shoppers, as well as tourists. The business has many competitors in the area, but Shahila has still made a good profit each year.

Shahila works many hours each day. She has three employees to help her serve customers and prepare food. Shahila only buys high quality food ingredients, which are currently purchased from a nearby wholesaler.

She wants to expand the business and has the following two options.

Option 1
Start up another food stall near the main football stadium. There is one football match each week when many thousands of supporters come to the stadium. Forecasted customers are 500 per week and each is forecast to spend an average of $2.

Option 2
Open a café (restaurant) in the city centre. Forecasted customers per week are 800 and each is forecast to spend an average of $5.

Appendix 1

Forecast cost information per week ($)

	Option 1	Option 2
Rent	50	1500
Wage costs	100	500
Food ingredient costs	300	1000
Local tax/licence	100	250

Appendix 2



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Appendix 3

Daily News October 2013

The football stadium in the capital city is to be used for other events. The football club has agreed to rent out the stadium to be used for concerts and other sporting events. This should make better use of the stadium which is currently only used for one football match each week.

It is predicted that the stadium will be used for an extra two or three events each week, even when the football season has finished.

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