UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER			

4539500599

BUSINESS STUDIES **0450/21**

Paper 2 **October/November 2013**

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.

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1 **(a)** Identify and explain **two** possible reasons why Shahila wants to expand her business.

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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.....[8]

(b) If the business expands, Shahila will need to buy more food ingredients. Consider the advantages and disadvantages of buying from a wholesaler or buying directly from local farmers. Recommend which option she should choose. Justify your answer.

For Examiner's Use

Wholesaler: .....

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Local farmers: .....

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Recommendation: .....

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2 **(a)** Identify and explain **two** reasons why Shahila wants good quality food products to be served from her stall.

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) Shahila plans to promote her food stall. Consider the advantages and disadvantages of the following **three** methods of promotion. Recommend which one she should choose. Justify your choice.

For Examiner's Use

Competitions with prizes for customers: .....

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Giving out discount vouchers: .....

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Posters in local hotels: .....

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Recommendation: .....

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3 **(a)** Identify and explain **two** reasons why Shahila will have to pay a higher rent for a café in the centre of the city.

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) Consider the **two** options for expanding the business. Recommend which option Shahila should choose. Justify your choice by calculating the net profit per week for each option.

For Examiner's Use

Option 1 (food stall near football stadium): .....

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Option 2 (café in centre of city): .....

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Recommendation: .....

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For Examiner's Use

4 **(a)** If Shahila chooses Option 2, then she will have to decide on the café opening hours. Identify and explain **four** factors which will affect the opening hours she chooses.

Factor 1: .....

Explanation: .....

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Factor 2: .....

Explanation: .....

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Factor 3: .....

Explanation: .....

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Factor 4: .....

Explanation: .....

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(b) Shahila will need to employ more workers if the business expands. Consider the advantages and disadvantages of the following methods of payment. Recommend which method she should choose. Justify your answer.

For Examiner's Use

Wage per hour: .....

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Sharing profits with the employees: .....

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Payment for each customer served: .....

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Recommendation: .....

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5 **(a)** Identify and explain **two** benefits to Shahila of keeping a short chain of command as the business expands.

For Examiner's Use

Benefit 1: .....

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Explanation: .....

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Benefit 2: .....

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Explanation: .....

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(b) The following **three** factors affect the success of Yum Yum Food. For each of the factors explain how sales are affected. Which factor do you think is likely to affect sales the most? Justify your answer.

For Examiner's Use

Unemployment increasing in the capital city: .....

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Meat prices increasing: .....

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Government increases taxes: .....

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Factor affecting sales the most: .....

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