Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

BUSINESS STUDIES **0450/21**

Paper 2 **October/November 2014**

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1 hour 45 minutes

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READ THESE INSTRUCTIONS FIRST

This Insert contains the case study material.
Anything the candidate writes on this Insert will not be marked.

The syllabus is approved for use in England, Wales and Northern Ireland as a Cambridge International Level 1/Level 2 Certificate.

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[Turn over

PB Bank

PB Bank is a public limited company. The bank has been trading successfully for 20 years. The Board of Directors wants to see the number of customers increasing; however, over the last 2 years the number of customers has remained the same. Should PB Bank try to expand by taking over another bank or should it try to attract more customers from its competitors? DOTT Bank is a smaller bank than PB Bank and could become a takeover target.

PB Bank is a large bank with 15 000 employees. The organisational structure is shown in Appendix 1. The Human Resources (HR) Director is responsible for internal communication. Some employees have complained that they often do not get told about important decisions. Some information is posted on the company website but some of this information is difficult to find.

PB Bank already offers online (Internet) banking and the Marketing Director thinks that mobile (cell) phone banking will become popular with customers. They used a questionnaire to find out the opinions of their customers (see Appendix 3).

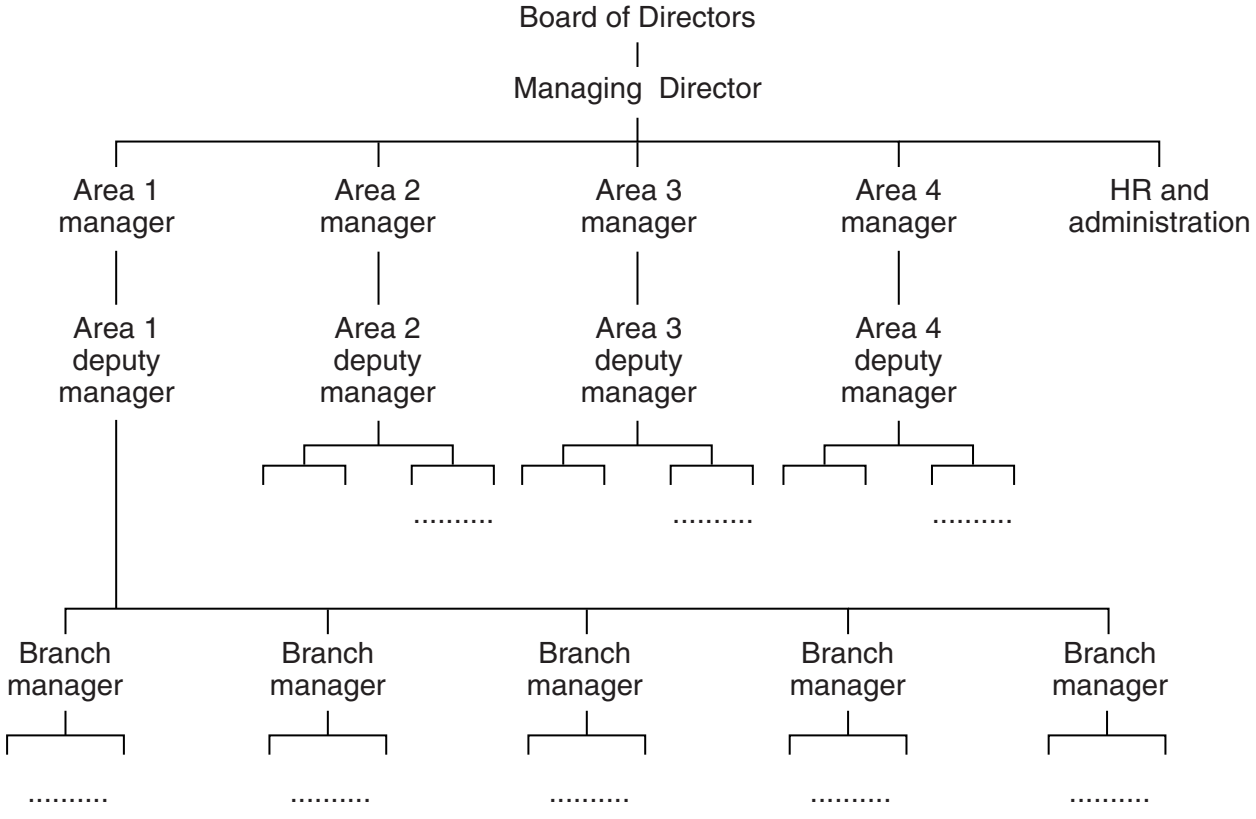
An increasing number of PB customers are now only using online banking. PB needs to close either branch X or branch Y.

Branch X
Located in a small town; used mainly by customers of the bank to deposit and withdraw money; no other banks nearby; the branch always has long queues of customers.

Branch Y
Located in the city centre; used mainly by tourists to change foreign currency; not many PB customers live nearby; near to several other bank's branches; the branch is busy only in the mornings.

Appendix 1

Extract from organisational structure of PB Bank



Appendix 2

Information about PB Bank and DOTT Bank in 2013

	PB Bank	DOTT Bank
Fixed assets	$790m	$320m
Current assets	$120m	$80m
Current liabilities	$80m	$100m
Capital employed	$830m	$300m
Net profit	$83m	$45m
Number of customers	3 000 000	1 000 000
Number of branches	1000	250

Appendix 3

Results from a questionnaire used on Monday 5 May 2014 in the main street of the city centre in the afternoon

People who completed the questionnaire:

Age	Number
10–20	100
21–30	400
31–40	300
41–50	100
50 +	100

Do you have a bank account?

Yes	800
No	200

Do you have a mobile phone?

Yes	700
No	300

Would you like to be able to access your bank account details and carry out transactions using your mobile phone?

Yes	500
No	500

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