Cambridge IGCSE

Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

1951803878

BUSINESS STUDIES **0450/23**

Paper 2 **October/November 2014**

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, 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.

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

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

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CAMBRIDGE International Examinations

1 **(a)** Identify and explain **one** advantage and **one** disadvantage to the business of being a private limited company.

Advantage: .....

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Explanation: .....

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Disadvantage: .....

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Explanation: .....

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..... [8]

(b) Using the information in Appendix 1, consider **three** ways to improve the hotel's cash flow. Recommend which way would be the most likely to succeed in improving the hotel's cash flow. Justify your answer.

Way 1: .....

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Way 2: .....

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Way 3: .....

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Recommendation: .....

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..... [12]

2 **(a)** Ben might offer some of the hotel rooms for business meetings when the hotel is not busy. Identify and explain **one** advantage and **one** disadvantage to the hotel of doing this.

Advantage: .....

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Explanation: .....

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Disadvantage: .....

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Explanation: .....

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(b) Consider **three** suitable methods of primary research to find out customer requirements for business meeting rooms. Recommend which is the best method of primary research for Ben to use. Justify your answer.

Method 1: .....

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Method 2: .....

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Method 3: .....

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Recommendation: .....

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..... [12]

3 **(a)** Ben's hotel is part of the large Marrat group of hotels. Identify and explain **two** benefits to Ben's **employees** of the hotel being part of a large group.

Benefit 1: .....

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Explanation: .....

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Benefit 2: .....

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Explanation: .....

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..... [8]

(b) There is more work to be done when the hotel is busy. Consider the advantages and disadvantages of each of the following **two** options. Recommend which would be the best option. Justify your answer.

Recruiting new employees for the tourist season: .....

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Paying overtime to the existing employees so that they work longer hours: .....

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Recommendation: .....

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4 **(a)** Identify and explain **two** ways Ben could try to ensure that the hotel provides a quality service for all its customers.

Way 1: .....

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Explanation: .....

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Way 2: .....

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Explanation: .....

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(b) Ben wants the hotel redecorated. Consider the advantages and disadvantages of the following **three** methods of financing the costs of redecoration. Recommend which would be the best method of finance to use. Justify your answer.

Retained profits: .....

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Three-year bank loan: .....

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Overdraft: .....

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Recommendation: .....

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.....[12]

5 **(a)** Identify and explain **four** ways Ben could use to increase the number of tourists using his hotel.

Way 1: .....

Explanation: .....

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Way 2: .....

Explanation: .....

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Way 3: .....

Explanation: .....

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Way 4: .....

Explanation: .....

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..... [8]

(b) Consider the impact on hotels in country X of the following changes. Which one of these changes do you think will have the biggest effect on the profitability of the hotel that Ben manages? Justify your answer.

Government puts a tax on all hotel rooms which has to be paid whether occupied or empty: .....

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Minimum wage in country X is increased by 5%: .....

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Appreciation in the currency of country X: .....

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Conclusion: .....

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