Cambridge IGCSE

Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

9669253857 5

BUSINESS STUDIES **0450/23**

Paper 2 **October/November 2015**

1 hour 30 minutes

Candidates answer on the Question Paper.

No Additional Materials are required.

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name in the spaces at the top of this page.
Write in dark blue or black pen.
You may use an HB pencil for any diagrams, graphs or rough working.
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 business described in this question paper is 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 total number of marks for this paper is 80.

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 **9** printed pages, **3** blank pages and **1** Insert.

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CAMBRIDGE International Examinations

[Turn over

1 **(a)** Identify and explain **two** objectives which Joey and Jennifer could set for the business.

Objective 1: .....

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Explanation: .....

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Objective 2: .....

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Explanation: .....

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.....[8]

(b) Joey and Jennifer will need to finance the expansion plans for the factory. Consider the advantages and disadvantages of the following **three** sources of finance they could use. Recommend the best source to choose. Justify your choice.

Bank loan: .....

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Take on another partner: .....

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Retained profits: .....

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Recommendation: .....

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.....[12]

2 **(a)** Identify and explain **four** suitable ways Joey could communicate with his employees if he wants them to work extra hours to complete an urgent order.

Way 1: .....

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Explanation: .....

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Way 2: .....

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Explanation: .....

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Way 3: .....

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Explanation: .....

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Way 4: .....

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Explanation: .....

.....[8]

(b) Jennifer wants to increase sales. Consider the advantages and disadvantages of each of the following **three** pricing strategies TP could use to increase sales. Recommend which is the best pricing strategy for TP to use. Justify your answer.

Cost plus: .....

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Competitive: .....

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Skimming: .....

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Recommendation:.....

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.....[12]

3 **(a)** Identify and explain **two** leadership styles which would be suitable for Joey to use with the production workers.

Leadership style 1: .....

Explanation: .....

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Leadership style 2: .....

Explanation: .....

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(b) (i) Refer to the cash flow forecast in Appendix 2.

Calculate values for W, X, Y and Z and write your answers below.

W: .....

X: .....

Y: .....

Z: .....[4]

(ii) Consider **two** ways of improving the cash flow position. Recommend the best way for Jennifer to improve the cash flow over the next six months. Justify your answer.

Way 1: .....

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Way 2: .....

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Recommendation: .....

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4 **(a)** Identify and explain **two** possible reasons why TP could fail.

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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.....[8]

(b) To expand the business in the future Joey and Jennifer need to decide whether to use niche marketing or mass marketing. Consider the advantages of each of these methods. Recommend whether they should use niche marketing or mass marketing in the future. Justify your answer.

Niche marketing: .....

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Mass marketing: .....

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Recommendation: .....

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