Cambridge IGCSE

Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

BUSINESS STUDIES **0450/23**

Paper 2 **October/November 2016**

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1 hour 30 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.

This document consists of **3** printed pages and **1** blank page.

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Bethany's Beauty salon (BB)

Bethany owns a beauty salon in Main City in country X. The business is very busy and Bethany is considering taking on a partner to help her manage the business and give Bethany more free time. However, she has been a sole trader for 10 years and wants the business to stay small.

The customers of BB are women of all ages. Bethany employs 2 qualified workers to provide the treatments for customers. Bethany herself also provides customers with beauty treatments. In addition, she does all the administration such as ordering inventory, accounts and paying invoices when the salon is closed.

The business still uses the original treatment equipment which was purchased when the business started. Some beauty salons nearby have the latest equipment, such as machines which dry nails quickly when nail polish has been applied, but these salons charge much higher prices than BB. Bethany records all the financial transactions by filling in accounts books by hand. This takes her a long time. Customers book appointments using the telephone and Bethany later telephones them to remind them when an appointment is due.

Appendix 1

Advert for treatments at BB



Appendix 2

Weekly forecasts for two possible additional services

	Sun tan beds	Hairdressing
Additional customers	200	50
Average price charged per customer	$5	$25
Wages	$60	$400
Cost of sales	$40	$125
Lease of equipment	$400	$175

Appendix 3

Daily News **September 2016**

New equipment now available in many beauty salons to make skin look younger

There have been a number of changes in technology for beauty salons which allow the treatments to be much more effective in making skin look younger. Many women are keen to try these treatments using new salon equipment and benefit from younger looking skin. This equipment is very expensive for salons to buy or lease.

The news of these treatments has appeared on social media sites leading to much higher demand. 'Women will pay high prices for such treatments' says a local beauty salon owner who is keen to promote her salon as being one of the first to use the new equipment.

There have also been developments in software which make customer bookings and accounts much easier, quicker and with fewer mistakes. Automatic text (sms) messages are used to remind customers of their appointments – so no need to miss an appointment again.

Look out for these changes in the beauty salons near you!

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