Cambridge IGCSE

Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

CANDIDATE NAME	
CENTRE NUMBER	
CANDIDATE NUMBER	

6587339393

BUSINESS STUDIES **0450/21**

Paper 2 **October/November 2017**

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.

© UCLES 2017

1 **(a)** Identify **two** ways the size of AH can be measured. Explain the limitations of each of these measures.

Way 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Way 2: .....

.....

Explanation: .....

.....

.....

.....

.....

..... [8]

(b) Consider **three** methods of market research Elsie could use to find out the number and types of customers for the proposed locations. Recommend the best method for Elsie to use. Justify your answer.

Method 1: .....

.....

.....

.....

.....

.....

Method 2: .....

.....

.....

.....

.....

.....

Method 3: .....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

.....

..... [12]

2 (a) (i) Calculate the profit per day for AH using the information in Appendix 3.

.....

.....

.....

.....

.....

.....

.....

..... [4]

(ii) Identify and explain **one** way AH could increase profit from the existing site.

.....

.....

.....

.....

.....

.....

.....

..... [4]

© UCLES 2017

(b) Consider why a cash flow forecast, an income statement and a balance sheet are important to AH. Which one of these do you think is most important to Elsie's decision about how to finance the new site? Justify your answer.

Cash flow forecast: .....

.....

.....

.....

.....

.....

Income statement: .....

.....

.....

.....

.....

.....

Balance sheet: .....

.....

.....

.....

.....

.....

Conclusion: .....

.....

.....

.....

.....

.....

.....

..... [12]

3 **(a)** Identify and explain **two** possible ethical issues that AH should consider.

Ethical issue 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Ethical issue 2: .....

.....

Explanation: .....

.....

.....

.....

.....

..... [8]

© UCLES 2017

(b) Consider the advantages and disadvantages of the **three** sites Elsie is considering. Recommend which site is the best one for AH to choose. Justify your answer.

Site X: .....

.....

.....

.....

.....

.....

Site Y: .....

.....

.....

.....

.....

.....

Site Z: .....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

.....

..... [12]

4 **(a)** Identify and explain **one** advantage and **one** disadvantage of using social media networks for the promotion of AH.

Advantage: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Disadvantage:.....

.....

Explanation: .....

.....

.....

.....

.....

..... [8]

(b) Consider the **advantages** of internal and external recruitment for the new manager. Recommend which method of recruitment is best for AH to use. Justify your answer.

Internal recruitment: .....

.....

.....

.....

.....

.....

.....

.....

External recruitment: .....

.....

.....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

.....

.....

.....

..... [12]

BLANK PAGE

BLANK PAGE

BLANK PAGE

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge International Examinations Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cie.org.uk after the live examination series.

Cambridge International Examinations is part of the Cambridge Assessment Group. Cambridge Assessment is the brand name of University of Cambridge Local Examinations Syndicate (UCLES), which is itself a department of the University of Cambridge.