Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

4555296195

BUSINESS STUDIES **0450/22**

Paper 2 **October/November 2018**

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 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 total number of marks for this paper is 80.

This 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 and **3** blank pages.

CAMBRIDGE International Examinations

© UCLES 2018

[Turn over

1 **(a)** Identify and explain **two** methods PP could use to improve the quality of its products.

Method 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Method 2: .....

.....

Explanation: .....

.....

.....

.....

.....

..... [8]

(b) Consider the following **three** ways PP could reduce its costs. Recommend which way PP should choose. Justify your answer.

Reduce the marketing budget by 20%: .....

.....

.....

.....

.....

.....

Increase investment in automated equipment: .....

.....

.....

.....

.....

.....

Change to a cheaper supplier of raw materials: .....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

.....

..... [12]

2 **(a)** Identify and explain **two** methods of primary research PP could use to research the market in country Z.

Method 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Method 2: .....

.....

Explanation: .....

.....

.....

.....

.....

..... [8]

(b) Consider the advantages and disadvantages of the following **three** ways PP could start selling its products in country Z. Recommend which way PP should choose. Justify your answer.

Form a joint venture with a retailer in country Z: .....

.....

.....

.....

.....

.....

Sell to retailers in country Z: .....

.....

.....

.....

.....

.....

Sell online to customers in country Z: .....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

.....

..... [12]

3 **(a)** Identify and explain **one** advantage and **one** disadvantage of Peter delegating tasks to the new Operations manager.

Advantage: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Disadvantage: .....

.....

Explanation: .....

.....

.....

.....

.....

..... [8]

(b) Refer to Appendix 3. Consider the **two** summaries of financial information for PP and its main competitor. Do you think PP's Finance manager should be worried? Justify your answer.

Summary of financial information for PP: .....

.....

.....

.....

.....

.....

.....

.....

Summary of financial information for PP's competitor: .....

.....

.....

.....

.....

.....

.....

.....

Conclusion: .....

.....

.....

.....

.....

.....

.....

.....

.....

..... [12]

4 **(a)** Identify and explain **two** sources of finance PP could use for its expansion.

Source 1: .....

Explanation: .....

.....

.....

.....

.....

.....

.....

Source 2: .....

Explanation: .....

.....

.....

.....

.....

.....

..... [8]

(b) Consider the benefits and drawbacks to country Z if PP decides to locate a factory there. Recommend whether the government of country Z should allow PP to set up a factory. Justify your answer.

Benefits: .....

.....

.....

.....

.....

.....

.....

.....

Drawbacks: .....

.....

.....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

.....

.....

..... [12]

BLANK PAGE

BLANK PAGE

© UCLES 2018

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.

© UCLES 2018