Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

4368871598

BUSINESS STUDIES **0450/23**

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 the question paper are entirely fictitious.

At the end of the examination, fasten all of 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** ways HH could create a brand image.

Way 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Way 2: .....

.....

Explanation: .....

.....

.....

.....

.....

..... [8]

(b) Consider the advantages and disadvantages of the following **two** niche markets Harry could target to increase HH's revenue. Recommend which niche market Harry should target. Justify your answer.

Additional business customers: .....

.....

.....

.....

.....

.....

.....

.....

Tourists who want to view areas of natural beauty: .....

.....

.....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

.....

.....

..... [12]

2 **(a)** Identify and explain **two** reasons why working capital is important to HH.

Reason 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Reason 2: .....

.....

Explanation: .....

.....

.....

.....

.....

..... [8]

© UCLES 2018

(b) Consider the **two** options for HH's additional helicopter. Recommend which option Harry and Fred should choose. Justify your answer.

Option A: .....

.....

.....

.....

.....

.....

.....

.....

Option B: .....

.....

.....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [12]

3 **(a)** Identify and explain **two** ways Harry and Fred could use the Internet to help them manage HH.

Way 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Way 2: .....

.....

Explanation: .....

.....

.....

.....

.....

..... [8]

© UCLES 2018

(b) Consider the advantages and disadvantages of the following **three** options for employing a new pilot for HH. Recommend the best option to choose. Justify your answer.

Harry trains a new employee himself: .....

.....

.....

.....

.....

.....

Harry sends a new employee to college for training: .....

.....

.....

.....

.....

.....

Harry employs a ready trained pilot: .....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

.....

..... [12]

4 **(a)** Harry and Fred have produced a business plan for the expansion of HH.

Identify and explain **two** contents of a business plan that Harry and Fred could find useful as HH expands.

Business plan – Content 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Business plan – Content 2: .....

.....

Explanation: .....

.....

.....

.....

.....

..... [8]

(b) Consider how the following **three** legal controls might affect HH. Which legal control is likely to have the biggest effect on HH's profit? Justify your answer.

The risks of flying must be displayed on all advertisements: .....

.....

.....

.....

.....

.....

The minimum wage is increased by 10%: .....

.....

.....

.....

.....

.....

A new environmental tax is introduced of $1 per km per tourist: .....

.....

.....

.....

.....

.....

Conclusion: .....

.....

.....

.....

.....

.....

.....

..... [12]

BLANK PAGE

© UCLES 2018

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