Cambridge IGCSE

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Cambridge International General Certificate of Secondary Education

CANDIDATE NAME

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3599872416

BUSINESS STUDIES **0450/23**

Paper 2 **October/November 2019**

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 regulated 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.

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[Turn over

1 **(a)** Identify and explain **two** possible reasons why Richard wants to expand RR.

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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..... [8]

(b) Consider the advantages and disadvantages of the following **three** types of business organisation. Recommend which type of business organisation Richard should choose for RR as it expands. Justify your answer.

Sole trader: .....

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Partnership: .....

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Private limited company: .....

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Recommendation: .....

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..... [12]

2 **(a)** Identify and explain **two** possible reasons why Richard needs a well-motivated workforce.

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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(b) Consider the following **three** ways Richard could use to make sure he has enough workers for the new restaurant. Recommend which would be the best way. Justify your answer.

Move some part-time employees from the existing restaurant: .....

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Ask part-time employees to work full-time so they can work at both restaurants: .....

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Recruit additional unskilled employees that Richard can train: .....

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Recommendation: .....

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..... [12]

3 **(a)** Identify and explain **two** ways Richard could promote the new restaurant.

Way 1: .....

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Explanation: .....

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Way 2: .....

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Explanation: .....

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(b) Consider the following **three** factors that will affect Richard's decision on the location of the new restaurant. Which factor is the most important to Richard? Justify your answer.

Near to existing restaurant: .....

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The level of income of local residents: .....

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Cost of building: .....

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Conclusion: .....

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4 **(a)** Identify and explain **one** opportunity and **one** threat to RR from a multinational company opening a restaurant nearby.

Opportunity: .....

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Explanation: .....

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Threat: .....

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Explanation: .....

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(b) Appendix 3 shows the cash-flow forecast for RR's business before the location decision for the new restaurant is made. Assume Richard chooses location 1.

Consider how the decision to choose location 1 could affect RR's cash-flow forecast. Recommend to Richard how he could try to make sure that RR does not have a cash-flow problem. Justify your answer.

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Recommendation: .....

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