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BUSINESS STUDIES **0450/21**

Paper 2 Case Study **October/November 2023**

INSERT **1 hour 30 minutes**

INFORMATION

- This insert contains the case study.
- You may annotate this insert and use the blank spaces for planning. **Do not write your answers** on the insert.

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This document has **4** pages. Any blank pages are indicated.

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Protective Hats (PH)

PH is a large public limited company based in country Z. It has been operating successfully for 50 years. PH produces a range of protective hats for employees working on construction sites, in factories or mines. It has a reputation for producing high-quality products and sells its hats around the world.

PH is currently the market leader in country Z. To remain competitive PH regularly carries out market research to find out if new products are needed. PH needs to ensure its market research data is accurate, so that it can develop the best new protective hats.

PH's only factory is in country Z. It has 100 production employees. They work on a flow production line and carry out the same tasks every day. PH pays these employees the minimum wage and there have been complaints about working conditions. Some of the employees are considering becoming members of a trade union.

PH's directors plan to expand the company by opening factories in other countries to produce protective hats. They think there are many benefits for PH of becoming a multinational company. They are aware that there is growing demand for protective hats in many developing countries where construction and manufacturing industries are expected to continue to have strong growth in the next 10 years.

Appendix 1

Advertisement for PH's products



PH's protective hats will protect your employees when at work.

We supply many of the leading construction, manufacturing and mining companies across the world.

High quality is guaranteed.

PH's hats can be ordered online from our website.

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Appendix 2

Email to PH's Managing Director from PH's Human Resources Director

To: Managing Director

From: Human Resources Director

Date: 1 October 2023

Re: Training

After reviewing our current training, I think we need to increase the training we provide to new employees. Existing employees would also benefit from additional training as there have been issues with motivation.

I know there are plans to introduce new equipment into the flow production line. When is this likely to happen?

Can we please meet to discuss these issues?

Appendix 3

PH's financial data for 2021 and 2022

	2021	**2022**
Revenue	$100m	$125m
Profit	$20m	$20m
Gross profit margin	60%	65%
Profit margin	20%	16%

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