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BUSINESS STUDIES **0450/23**

Paper 2 Case Study **October/November 2024**

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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Sustainable Attire (SA)

SA is a public limited company which has been trading for 30 years in country P. It manufactures clothes which are made from sustainable cotton. SA has a brand image for protecting the environment and for producing high-quality products. SA's objectives are to increase profit, to increase market share and to survive.

SA has one factory in country P and uses batch production to manufacture its clothes. It employs 500 production workers. All of SA's raw materials, including cotton, come from sustainable sources. These raw materials are purchased regularly as SA uses just-in-time (JIT) inventory control. The Operations Director is considering whether quality control or quality assurance is the best method to use to achieve quality production.

SA's clothes are sold in country P through its own shops. Its products can also be purchased online from SA's website and delivered directly to customers. The Operations Director knows that the role of packaging is important.

Appendix 1

Newspaper article in Main News 1 October 2024

Slump nearly over

Many businesses in country P have been affected by the economy being in a slump.

Government forecasts suggest that the economy will move out of the slump and into the growth phase of the business cycle in 2025. This will be good news for businesses that have found it difficult to survive.

Appendix 2

Email from the Managing Director to the Human Resources Director

To: Human Resources Director

From: Managing Director

Date: 2 October 2024

Labour turnover in our factory is low. We have a reputation for being a good employer and our production workers are well motivated.

I am pleased that we have not made any of our production workers redundant during the slump. We have been able to keep them all by reducing the hours they work. Our production workers have been willing to change from full-time contracts to part-time contracts. This has helped us to keep our experienced skilled workers.

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Appendix 3

Extract from SA's income statements for 2023 and 2024 (forecast)

	2023 $m	2024 (forecast) $m
Revenue	20	30
Cost of sales	5	10
Expenses	10	14
Profit	5	6

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