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BUSINESS STUDIES **0450/22**

Paper 2 Case Study **October/November 2025**

INSERT **1 hour 30 minutes**

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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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Fun Florals (FF)

FF is a small business owned by Kathryn. It has 2 small shops in Main City which sell wedding flowers. Each shop has 4 employees. FF has a good reputation for providing high-quality flower arrangements. Most flower shops provide flowers for many occasions, but FF operates in a niche market as it only provides flowers for weddings. The average price customers pay for FF's wedding flowers is $2000.

Kathryn buys flowers from her suppliers every day to ensure that the flowers are fresh and last a long time. She has a good relationship with her suppliers who provide the flowers and other items such as ribbons and packaging materials. Kathryn knows that communication with her suppliers is important. She uses job production for each customer's order.

Kathryn wants to open a larger third shop in the centre of Main City and has written a business plan. She is considering which marketing mix to use for this new shop. FF will need finance for working capital. Kathryn has the choice of using either a bank overdraft or trade credit.

Kathryn wants FF to contribute to sustainable development. Many of her customers have told her they are concerned about global warming. Appendix 3 shows information about two ways Kathryn could use to contribute to sustainable development.

Appendix 1

Advertisement for FF's wedding flowers



Choose FF's flowers for your special day – we can make your wedding day memorable.

See our social media pages for reviews from customers who have been very happy with our service.

Guaranteed delivery at a time of your choice.

We will not let you down.

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Appendix 2

Email to Kathryn from FF's Marketing Assistant

To: Kathryn
From: Marketing Assistant
Date: 1 October 2025

Hi Kathryn

I have outlined a possible marketing mix for the new larger shop in the centre of Main City. Let me know what you think.

- Price – using cost-plus pricing for the wedding flowers as we know not all flowers cost the same.
- Place – selling some of our flowers through wedding planners (businesses which plan weddings for customers).
- Promotion – using television advertising.

Appendix 3

Table prepared by Kathryn to compare the two options for FF to contribute to sustainable development.

Option 1 Buying all flowers from sustainable sources	• Suppliers that provide flowers from sustainable sources are available in Main City • The cost of flowers for each wedding will increase by 25%
Option 2 Using electricity from renewable sources	• It will cost $6000 to install solar panels at each shop • Electricity costs will reduce by 50% from the current cost of $200 per week for each shop

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