UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
General Certificate of Education Ordinary Level

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

BUSINESS STUDIES **7115/21**

Paper 2 **May/June 2010**

1 hour 45 minutes

Candidates answer on the Question Paper.

Additional Materials: Insert

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name on all the work you hand in.
Write in dark blue or black pen.
Do not use staples, paper clips, highlighters, glue or correction fluid.
DO **NOT** WRITE IN ANY BARCODES.

Answer **all** questions.
The Insert contains the case study.
The business described in this question paper is 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.

For Examiner's Use	
1	
2	
3	
4	
5	
Total	

This document consists of **11** printed pages, **1** blank page and **1** Insert.

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1 **(a)** Bimisi has higher profits as a business aim. Identify and explain **two** other aims Bimisi might have for the business.

For Examiner's Use

Aim 1: .....

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Explanation: .....

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Aim 2: .....

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Explanation: .....

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(b) Bimisi wants to increase the profit margins of the business. Using Appendix 1, suggest **three** ways in which he might achieve this. Advise him on the best way. Justify your answer.

For Examiner's Use

Way 1: .....

Explanation: .....

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Way 2: .....

Explanation: .....

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Way 3: .....

Explanation: .....

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Best Way: .....

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For Examiner's Use

2 **(a)** If Bimisi expands the business he will need to take on new employees and train them. Explain **two** reasons why Bimisi wants well trained employees.

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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(b) If Bimisi decides to expand the business he may need to employ bus drivers and tourist guides. Do you think that Bimisi should use on-the-job training or off-the-job training for each of these types of employee? Justify your answer.

For Examiner's Use

Bus drivers: .....

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Tourist guides: .....

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3 **(a)** Before offering bus tours to tourists, Bimisi will need to carry out market research. Suggest **four** questions to use in market research which Bimisi might find useful in deciding which bus tours to offer tourists. Explain why each question would be useful.

For Examiner's Use

Question 1: .....

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Explanation: .....

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Question 2: .....

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Explanation: .....

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Question 3: .....

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Explanation: .....

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Question 4: .....

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Explanation: .....

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(b) Bimisi could either sell the bus tours directly to tourists or encourage hotels and holiday companies to sell the tours for the company. Explain the advantages and disadvantages of each approach to selling the bus tours. Which approach would you recommend for Bimisi? Justify your answer.

For Examiner's Use

Selling bus tours directly to tourists: .....

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Hotels and holiday companies sell tours: .....

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Recommendation: .....

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4 **(a)** Identify and explain **two** reasons why employees at Bimisi Buses might want to be members of a trade union.

For Examiner's Use

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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(b) Governments often pass laws to protect employees and customers. Do you think it is necessary to have Government laws in order to protect employees and customers of bus companies such as Bimisi Buses? Justify your answer.

For Examiner's Use

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5 **(a)** If Bimisi decides to expand the business he will probably need a bank loan. Identify and explain **two** pieces of information that Bimisi will need to provide to the bank manager in order to get the bank loan.

For Examiner's Use

First piece of information: .....

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Explanation: .....

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Second piece of information: .....

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Explanation: .....

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(b) Bimisi has decided to expand his business. Do you think he should go for Option A or Option B? (These options are described in the case study.) Justify your answer.

For Examiner's Use

Option A: .....

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Option B: .....

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Decision: .....

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