UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
General Certificate of Education Ordinary Level

BUSINESS STUDIES **7115/22**

Paper 2 **May/June 2013**

INSERT

1 hour 45 minutes

READ THESE INSTRUCTIONS FIRST

This Insert contains the case study material.
Anything the candidate writes on this Insert will not be marked.

This document consists of **3** printed pages and **1** blank page.

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International Examinations

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Tibalt's Wood Products (TWP)

TWP is based in country X. It makes wood products, such as windows and doors. These are sold to building firms which repair or build houses and offices.

TWP buys imported wood. TWP could buy materials from local forests that produce sustainable wood. This means the cut trees are replaced by newly planted ones. TWP uses imported wood because it is cheaper (at current exchange rates) and there is a wide range of different woods available. TWP uses both job production and batch production when producing wood products for its customers.

Tibalt owns TWP and he is a sole trader. Tibalt wants the business to continue to grow and become more profitable. He is thinking of expanding by taking over another wood product manufacturer.

He only sells his products to small businesses that build or repair houses and offices. A lot of people are now starting to build or repair their own houses. Tibalt is considering also targeting these customers. These customers are concerned about the environment. They only want to buy wood products made with materials from sustainable forests.

Appendix 1

Profit/loss account for TWP 2011 and 2012 ($000s)

	2011	2012
Sales revenue	1000	1500
Cost of goods sold	500	700
Gross profit	500	800
Wages	100	100
Fixed costs	280	450
Total expenses	380	550
Net profit	120	250

Appendix 2

To: Tibalt@TWP.com
From: Fred
Date: 3 May 2013
Re: Customer enquiry

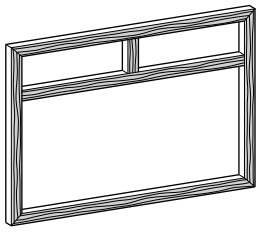
I am building my own house. I want to know if your wood products are produced with wood from sustainable forests as I am worried about the environment. I do not mind if the products are a bit more expensive. How can I find out more about your products? I have not seen any promotions for your business.

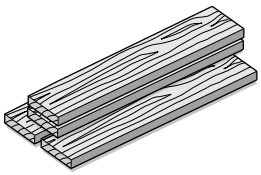
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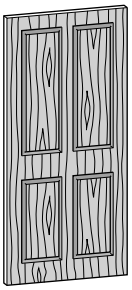
Appendix 3

Competitor's advert

- Wood products are made to customer's own design.
- Any quantity supplied.
- All types of wood products available at low prices.
- All materials from local forests.







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