UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
General Certificate of Education Ordinary Level

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

BUSINESS STUDIES **7115/22**

Paper 2 **May/June 2013**

1 hour 45 minutes

Candidates answer on the Question Paper.

No Additional Materials are required.

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.

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

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1 **(a)** Identify **two** stakeholders of TWP and explain why each stakeholder is interested in the business.

For Examiner's Use

Stakeholder 1: .....

Explanation: .....

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Stakeholder 2: .....

Explanation: .....

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(b) Consider the possible advantages and disadvantages of importing wood rather than buying locally produced wood. Recommend whether TWP should continue to import wood or whether it should change to buying locally produced wood. Justify your answer.

For Examiner's Use

Import wood: .....

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Buy locally produced wood: .....

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Recommendation: .....

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2 **(a)** Identify and explain **two** reasons why the business objectives of growth and increased profits are important to TWP.

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) TWP wants to start selling directly to customers who build or repair their own houses. Consider the advantages and disadvantages of **three** methods of promotion it could use. Recommend the best method to use. Justify your answer.

For Examiner's Use

Method 1: .....

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Method 2: .....

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Method 3: .....

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Recommendation: .....

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3 **(a)** TWP has taken out a bank loan and arranged an overdraft. Identify and explain **two** differences between a bank loan and an overdraft.

For Examiner's Use

Difference 1: .....

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Explanation: .....

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Difference 2: .....

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Explanation: .....

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(b) Refer to Appendix 1. Do you think Tibalt should be pleased with the profitability of the business? Justify your answer by calculating the gross profit margin and the net profit margin for both years.

For Examiner's Use

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For Examiner's Use

4 **(a)** Tibalt wants to motivate his employees. Identify and explain **four** ways he could use to motivate his employees.

Way 1: .....

Explanation: .....

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Way 2: .....

Explanation: .....

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Way 3: .....

Explanation: .....

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Way 4: .....

Explanation: .....

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(b) Consider the advantages and disadvantages of both job production and batch production for TWP. Recommend which production method he should use when producing products to a design provided by the customer. Justify your answer.

For Examiner's Use

Job production: .....

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Batch production: .....

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Recommendation: .....

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5 **(a)** The Government in country X supports sustainable development. Identify and explain **two** reasons why Governments pass laws to protect the environment.

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) Consider the advantages and disadvantages of each of the options below. Do you think Tibalt should take over another business or open a new factory? Justify your answer.

For Examiner's Use

Option 1 – Take over another wood product manufacturer: .....

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Option 2 – Open a new TWP factory: .....

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Recommendation: .....

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