Cambridge
O Level

Cambridge International Examinations
Cambridge Ordinary Level

CANDIDATE NAME	
CENTRE NUMBER	CANDIDATE NUMBER

2572512569

BUSINESS STUDIES **7115/21**

Paper 2 **May/June 2016**

1 hour 30 minutes

Candidates answer on the Question Paper.

No Additional Materials are required.

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name in the spaces at the top of this page.
Write in dark blue or black pen.
You may use an HB pencil for any diagrams, graphs or rough working.
Do not use staples, paper clips, 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.
The total number of marks for this paper is 80.

This document consists of **9** printed pages, **3** blank pages and **1** Insert.

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CAMBRIDGE International Examinations

1 **(a)** Identify and explain **one** advantage and **one** disadvantage to Rosa and Eduardo of forming a business partnership.

Advantage: .....

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Explanation: .....

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Disadvantage: .....

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Explanation: .....

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.....[8]

(b) Consider an objective of each of the following **three** stakeholder groups of DDC. Do you think there will be conflict between the objectives of each of these stakeholder groups? Justify your answer.

Objective of owners: .....

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Objective of patients (customers): .....

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Objective of employees: .....

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Will there be conflict between their objectives? .....

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.....[12]

2 **(a)** Identify and explain **two** methods of training employees to use the new computer system.

Method 1: .....

Explanation: .....

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Method 2: .....

Explanation: .....

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(b) Consider the information about each of the **three** receptionists outlined in Appendix 2. Recommend which receptionist should be made redundant. Justify your answer.

Receptionist 1: .....

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Receptionist 2: .....

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Receptionist 3: .....

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Recommendation: .....

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.....[12]

3 **(a)** The Government is expanding the public sector provision of health care including dentist clinics (see Appendix 1). Identify and explain **two** external benefits to the rest of society of this increased provision of health care for poor families.

External benefit 1: .....

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Explanation: .....

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External benefit 2: .....

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Explanation: .....

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.....[8]

(b) Refer to the cash flow forecast in Appendix 3.

(i) Calculate values for:

W: .....

X: .....

Y: .....

Z: .....[4]

(ii) Consider **two** ways the cash flow could be improved. Recommend the best way for Rosa and Eduardo to improve the cash flow in the second half of 2016. Justify your answer.

Way 1: .....

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Way 2: .....

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Recommendation: .....

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.....[8]

4 **(a)** Identify and explain **four** factors Rosa and Eduardo should consider when choosing larger premises.

Factor 1: .....

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Explanation: .....

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Factor 2: .....

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Explanation: .....

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Factor 3: .....

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Explanation: .....

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Factor 4: .....

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Explanation: .....

.....[8]

(b) When DDC has moved to new premises, Rosa and Eduardo plan to use promotional methods to attract more patients. Consider each of the following promotional methods. Recommend which one you think they should choose. Justify your answer.

Advertising on a website: .....

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National newspaper: .....

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Money-off coupons: .....

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Recommendation: .....

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.....[12]

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