Cambridge
O Level

Cambridge Assessment International Education
Cambridge Ordinary Level

CANDIDATE NAME	
CENTRE NUMBER	
CANDIDATE NUMBER	

7702908219

BUSINESS STUDIES **7115/21**

Paper 2 **May/June 2019**

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 businesses described in this question paper are 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 and **3** blank pages.

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1 **(a)** Identify and explain **one** advantage and **one** disadvantage to SA of starting to sell new products in a niche market.

Advantage: .....

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Explanation: .....

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Disadvantage: .....

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Explanation: .....

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..... [8]

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(b) Consider the following **three** roles of packaging for SA's new products. Which is the most important role for the successful launch of these new products? Justify your answer.

Protection: .....

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Brand image: .....

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Information about the product: .....

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Conclusion: .....

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..... [12]

2 **(a)** Identify and explain how the following **two** stakeholder groups might be affected by SA's plans to expand.

Shareholders: .....

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Local community: .....

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..... [8]

(b) Consider the following **three** benefits to SA of having well-motivated employees. Which benefit will be the most important to SA if it wants to increase profit? Justify your answer.

Higher output: .....

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Fewer employees leaving: .....

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Higher quality: .....

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Conclusion: .....

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..... [12]

3 **(a)** Identify and explain **two** ways SA could use lean production in its factory.

Way 1: .....

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Explanation: .....

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Way 2: .....

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Explanation: .....

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(b) Consider **three** leadership styles the Operations manager could use in the new factory. Recommend which leadership style should be used to improve decision-making. Justify your answer.

Leadership style 1: .....

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Leadership style 2: .....

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Leadership style 3: .....

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Recommendation: .....

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..... [12]

4 **(a)** Identify and explain **two** opportunities and **two** threats for businesses in country Z from globalisation.

Opportunity 1: .....

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Explanation: .....

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Opportunity 2: .....

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Explanation: .....

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Threat 1: .....

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Explanation: .....

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Threat 2: .....

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Explanation: .....

..... [8]

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(b) Using Appendix 3 and other information, consider SA's financial position, using liquidity ratios. Recommend whether the bank manager should give a loan to SA for the new factory. Justify your answer.

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