Cambridge Assessment International Education

Cambridge O Level

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

7359017836

BUSINESS STUDIES **7115/24**

Paper 2 Case Study **May/June 2021**

1 hour 30 minutes

You must answer on the question paper.

You will need: Insert (enclosed)

INSTRUCTIONS

- Answer **all** questions.
- Use a black or dark blue pen. You may use an HB pencil for any diagrams or graphs.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen or correction fluid.
- Do **not** write on any bar codes.
- You may use a calculator.

INFORMATION

- The total mark for this paper is 80.
- The number of marks for each question or part question is shown in brackets [ ].
- The insert contains the case study.

This document has **12** pages. Any blank pages are indicated.

© UCLES 2021

[Turn over

1 **(a)** Explain **two** business objectives that Andrew is likely to have for AAR.

Objective 1: .....

Explanation: .....

.....

.....

.....

.....

.....

.....

Objective 2: .....

Explanation: .....

.....

.....

.....

.....

.....

..... [8]

(b) Consider the advantages and disadvantages of the following **three** sources of finance Andrew could use when he expands the business. Which is the best source for Andrew to choose? Justify your answer.

- Bank loan
- Business partner
- Change to a private limited company and sell shares

Bank loan: .....

.....

.....

.....

.....

.....

Business partner: .....

.....

.....

.....

.....

.....

Change to a private limited company and sell shares: .....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

..... [12]

2 **(a)** Explain **two** benefits to AAR of having well-motivated employees.

Benefit 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Benefit 2: .....

.....

Explanation: .....

.....

.....

.....

.....

..... [8]

(b) Referring to Appendix 1, consider **three** ways Andrew could improve AAR's cash flow. Which one should he choose? Justify your answer.

Way 1: .....

.....

.....

.....

.....

.....

Way 2: .....

.....

.....

.....

.....

.....

Way 3: .....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

..... [12]

3 **(a)** Explain **four** factors Andrew would have considered when deciding where to locate AAR's shop.

Factor 1: .....

.....

.....

.....

Factor 2: .....

.....

.....

.....

Factor 3: .....

.....

.....

.....

Factor 4: .....

.....

.....

..... [8]

© UCLES 2021

(b) Consider the advantages and disadvantages of **two** methods of training Andrew could use to train existing employees. Which method should he choose? Justify your answer.

Method 1: .....

.....

.....

.....

.....

.....

.....

.....

Method 2: .....

.....

.....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

.....

..... [12]

4 **(a)** Explain **four** suitable methods of promotion a business could use to attract customers to a new service.

Method 1: .....

.....

.....

.....

Method 2: .....

.....

.....

.....

Method 3: .....

.....

.....

.....

Method 4: .....

.....

.....

..... [8]

(b) Consider how the **three** changes in legal controls outlined in Appendix 3 are likely to affect AAR. Which change is likely to have the most effect on AAR's profit? Justify your answer.

Legal control 1: .....

.....

.....

.....

.....

.....

Legal control 2: .....

.....

.....

.....

.....

.....

Legal control 3: .....

.....

.....

.....

.....

.....

Conclusion: .....

.....

.....

.....

.....

..... [12]

BLANK PAGE

BLANK PAGE

BLANK PAGE

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge Assessment International Education Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cambridgeinternational.org after the live examination series.

Cambridge Assessment International Education is part of the Cambridge Assessment Group. Cambridge Assessment is the brand name of the University of Cambridge Local Examinations Syndicate (UCLES), which itself is a department of the University of Cambridge.

© UCLES 2021