Cambridge Assessment International Education

Cambridge O Level

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

9380964301

BUSINESS STUDIES **7115/21**

Paper 2 Case Study **May/June 2023**

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.

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[Turn over

1 **(a)** Explain **four** barriers to communication for a business.

Barrier 1: .....

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Barrier 2: .....

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Barrier 3: .....

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Barrier 4: .....

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..... [8]

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(b) Consider the following **two** ways VP can purchase its inventory. Which way should it use? Justify your answer.

- Head Office purchases the inventory for all the restaurants.
- Restaurant Managers purchase their own inventory from local suppliers.

Head Office purchases the inventory for all the restaurants: .....

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Restaurant Managers purchase their own inventory from local suppliers: .....

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Recommendation: .....

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2 **(a)** Explain **two** advantages and **two** disadvantages of VP's Restaurant Managers delegating tasks to their Assistant Managers.

Advantage 1: .....

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Advantage 2: .....

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Disadvantage 1: .....

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Disadvantage 2: .....

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(b) Using Appendix 2 and other information, consider the **two** countries VP could choose to locate its new restaurants. Which country should VP choose? Justify your answer.

Country A: .....

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Country B: .....

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Recommendation: .....

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3 **(a)** Explain **two** possible reasons why VP wants to expand.

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 benefits and limitations of the following **two** ways VP can enter a new market in another country. Which way should VP choose? Justify your answer.

- Joint venture
- Franchising

Joint venture: .....

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Franchising: .....

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Recommendation: .....

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4 **(a)** Explain, using an example, **one** reason why VP might need:

- short-term finance
- long-term finance.

Short-term finance: .....

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Long-term finance: .....

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(b) Using Appendix 3 and other information, consider how the following **three** changes in country Z may affect VP. Which change is likely to have the greatest effect on VP's profits? Justify your answer.

- Increase in interest rates.
- Depreciation of country Z's exchange rate.
- New legal controls which require all restaurants to list the ingredients in their meals.

Increase in interest rates: .....

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Depreciation of country Z's exchange rate: .....

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New legal controls which require all restaurants to list the ingredients in their meals: .....

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Conclusion: .....

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