UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
General Certificate of Education Ordinary Level

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

1469141883

BUSINESS STUDIES **7115/22**

Paper 2 **October/November 2012**

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 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.

For Examiner's Use	
1	
2	
3	
4	
5	
Total	

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

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1 **(a)** Identify and explain **four** disadvantages for Trunal of setting up as a sole trader rather than working for an employer.

For Examiner's Use

Disadvantage 1: .....

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Explanation: .....

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Disadvantage 2: .....

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Explanation: .....

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Disadvantage 3: .....

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Explanation: .....

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Disadvantage 4: .....

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Explanation: .....

.....[8]

(b) Trunal is thinking of targeting just one type of customer. Do you think this is a good idea? Justify your answer using **only** the information in Appendix 1.

For Examiner's Use

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2 **(a)** KK Cars is described as a small business. Identify and explain **two** ways the size of this business can be measured.

For Examiner's Use

Way 1: .....

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Explanation: .....

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Way 2: .....

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Explanation: .....

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(b) Trunal wants to expand his business. Refer to the **two** options suggested in Appendix 3. Consider the advantages and disadvantages of each of these options. Recommend which option Trunal should choose. Justify your answer.

For Examiner's Use

Option 1: .....

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Option 2: .....

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Recommendation: .....

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For Examiner's Use

3 **(a)** Refer to Appendix 2. Trunal needs more information to be able to calculate what price to charge the customer. Identify **four** pieces of information missing from this email and explain why each would be needed.

Information 1: .....

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Explanation: .....

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Information 2: .....

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Explanation: .....

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Information 3: .....

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Explanation: .....

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Information 4: .....

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Explanation: .....

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(b) If Trunal decides to expand his taxi service as explained in Option 2 then he will need to promote this service. Consider **three** methods of promotion he could use. Which method of promotion would be most effective? 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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4 **(a)** If Trunal decides to lease a large luxury car he will need to employ skilled drivers. Explain how a job specification and interviewing applicants will help him to recruit the best drivers.

For Examiner's Use

Job specification: .....

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Interview: .....

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(b) Consider **three** methods Trunal could use to motivate these drivers. Which do you think will be the most effective method for Trunal's business? 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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5 **(a)** The rate of economic growth in country X fell from 4% to 0% in the last year. Identify and explain **two** effects this might have on KK Cars.

For Examiner's Use

Effect 1: .....

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Explanation: .....

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Effect 2: .....

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Explanation: .....

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(b) Consider the **effects** on Trunal's business of each of the following legal changes.

For Examiner's Use

Higher standards of safety for taxis: .....

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Shorter working hours for taxi drivers: .....

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Lower speed limits for taxis: .....

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