Cambridge
O Level

Cambridge International Examinations
Cambridge Ordinary Level

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER			

7117274412

BUSINESS STUDIES **7115/22**

Paper 2 **October/November 2015**

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 and **3** blank pages and **1** Insert.

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CAMBRIDGE
International Examinations

[Turn over

1 **(a)** RRM is a small business. Identify and explain **two** reasons why RRM might remain small.

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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..... [8]

(b) Rafael thinks he could increase his sales by using market segmentation. Consider the advantages and disadvantages of each of the following methods to segment the market. Recommend which method he should use. Justify your answer.

Age: .....

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Income group: .....

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Gender: .....

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Recommendation: .....

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..... [12]

2 **(a)** Rafael's son wants to know more about motivating employees. Identify and explain **four** levels of Maslow's hierarchy of needs as they might apply to Rafael's employees.

Level: .....

Explanation: .....

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Level: .....

Explanation: .....

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Level: .....

Explanation: .....

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Level: .....

Explanation: .....

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..... [8]

(b) Rafael wants to recruit a new employee to help repair motorbikes. Consider how important each of the following factors are when choosing between the applicants for the job. Which is the most important factor? Justify your answer.

Age: .....

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Experience: .....

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Reason for leaving last job: .....

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Most important factor: .....

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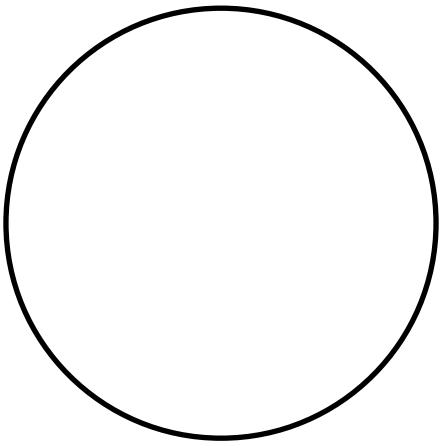
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3 **(a)** Complete the **two** different forms of presentation shown below for the population data in Appendix 1. Explain the advantages of each form of presentation.

First form of presentation:



Explanation: .....

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Second form of presentation:



Explanation: .....

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(b) Do you think Rafael should be pleased with the profitability of his business in 2014? Use the data in Appendix 2 (including appropriate ratios) to justify your answer.

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4 **(a)** Identify and explain the possible effects on Rafael's business of each of the following.

(i) Import quota on motorbikes: .....

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(ii) An appreciation of country X's currency : .....

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(b) Rafael wants to open another showroom in Main City. He has **two** options as outlined in Appendix 3. Consider the advantages and disadvantages of each option for RRM. Recommend which location Rafael should choose. Justify your answer.

Option A (near Main City): .....

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Option B (in the centre of Main City): .....

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Recommendation: .....

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