Cambridge
O Level

Cambridge International Examinations
Cambridge Ordinary Level

CANDIDATE NAME	
CENTRE NUMBER	
CANDIDATE NUMBER	

1571792624

BUSINESS STUDIES **7115/21**

Paper 2 **October/November 2017**

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

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CAMBRIDGE International Examinations

1 **(a)** Identify **two** ways the size of AH can be measured. Explain the limitations of each of these measures.

Way 1: .....

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Explanation: .....

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Way 2: .....

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Explanation: .....

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..... [8]

(b) Consider **three** methods of market research Elsie could use to find out the number and types of customers for the proposed locations. Recommend the best method for Elsie to use. Justify your answer.

Method 1: .....

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Method 2: .....

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Method 3: .....

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Recommendation: .....

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2 (a) (i) Calculate the profit per day for AH using the information in Appendix 3.

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(ii) Identify and explain **one** way AH could increase profit from the existing site.

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(b) Consider why a cash flow forecast, an income statement and a balance sheet are important to AH. Which one of these do you think is most important to Elsie's decision about how to finance the new site? Justify your answer.

Cash flow forecast: .....

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Income statement: .....

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Balance sheet: .....

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Conclusion: .....

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3 **(a)** Identify and explain **two** possible ethical issues that AH should consider.

Ethical issue 1: .....

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Explanation: .....

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Ethical issue 2: .....

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Explanation: .....

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(b) Consider the advantages and disadvantages of the **three** sites Elsie is considering. Recommend which site is the best one for AH to choose. Justify your answer.

Site X: .....

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Site Y: .....

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Site Z: .....

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Recommendation: .....

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4 **(a)** Identify and explain **one** advantage and **one** disadvantage of using social media networks for the promotion of AH.

Advantage: .....

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Explanation: .....

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Disadvantage:.....

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Explanation: .....

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(b) Consider the **advantages** of internal and external recruitment for the new manager. Recommend which method of recruitment is best for AH to use. Justify your answer.

Internal recruitment: .....

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External recruitment: .....

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Recommendation: .....

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