Cambridge
O Level

Cambridge International Examinations
Cambridge Ordinary Level

CANDIDATE NAME	
CENTRE NUMBER	
CANDIDATE NUMBER	

2183683218

BUSINESS STUDIES **7115/22**

Paper 2 **October/November 2018**

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 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.
The total number of marks for this paper is 80.

This document consists of **9** printed pages and **3** blank pages.

CAMBRIDGE
International Examinations

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[Turn over

1 **(a)** Identify and explain **two** methods PP could use to improve the quality of its products.

Method 1: .....

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Explanation: .....

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Method 2: .....

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Explanation: .....

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(b) Consider the following **three** ways PP could reduce its costs. Recommend which way PP should choose. Justify your answer.

Reduce the marketing budget by 20%: .....

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Increase investment in automated equipment: .....

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Change to a cheaper supplier of raw materials: .....

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Recommendation: .....

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2 **(a)** Identify and explain **two** methods of primary research PP could use to research the market in country Z.

Method 1: .....

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Explanation: .....

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Method 2: .....

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Explanation: .....

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(b) Consider the advantages and disadvantages of the following **three** ways PP could start selling its products in country Z. Recommend which way PP should choose. Justify your answer.

Form a joint venture with a retailer in country Z: .....

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Sell to retailers in country Z: .....

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Sell online to customers in country Z: .....

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Recommendation: .....

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3 **(a)** Identify and explain **one** advantage and **one** disadvantage of Peter delegating tasks to the new Operations manager.

Advantage: .....

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Explanation: .....

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Disadvantage: .....

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Explanation: .....

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(b) Refer to Appendix 3. Consider the **two** summaries of financial information for PP and its main competitor. Do you think PP's Finance manager should be worried? Justify your answer.

Summary of financial information for PP: .....

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Summary of financial information for PP's competitor: .....

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Conclusion: .....

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4 **(a)** Identify and explain **two** sources of finance PP could use for its expansion.

Source 1: .....

Explanation: .....

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Source 2: .....

Explanation: .....

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(b) Consider the benefits and drawbacks to country Z if PP decides to locate a factory there. Recommend whether the government of country Z should allow PP to set up a factory. Justify your answer.

Benefits: .....

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Drawbacks: .....

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Recommendation: .....

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