Cambridge IGCSE

Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

9418706717

BUSINESS STUDIES **0450/22**

Paper 2 **February/March 2016**

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.

The syllabus is approved for use in England, Wales and Northern Ireland as a Cambridge International Level 1/Level 2 Certificate.

This document consists of **9** printed pages, **3** blank pages and **1** Insert.

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CAMBRIDGE International Examinations

[Turn over

1 **(a)** Identify and explain **two** benefits to DWP resulting from the change to a private limited company.

Benefit 1: ....

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Explanation: ....

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Benefit 2: ....

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Explanation: ....

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....[8]

(b) Consider the effects of each of the following **three** changes on DWP's profit. Recommend which change you think will have the biggest effect on DWP's profit. Justify your answer.

Decrease in consumers' income: ....

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Increase in sales of washing machines: ....

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Introduction of a new washing liquid by a competitor: ....

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Recommendation: ....

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....[12]

2 (a) Identify and explain **four** functions of management which Dilip should carry out.

Function 1: ....

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Explanation: ....

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Function 2: ....

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Explanation: ....

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Function 3: ....

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Explanation: ....

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Function 4: ....

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Explanation: ....

....[8]

(b) Refer to Appendix 3. Consider the **three** options to increase output. Recommend the best option for Dilip to choose. Justify your answer.

Purchase new equipment: ....

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Employ 10 additional production workers: ....

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Purchase partly processed raw materials: ....

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Recommendation: ....

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....[12]

3 **(a)** Identify and explain **one** advantage and **one** disadvantage to the business of Dilip training production employees using on-the-job training.

Advantage: ....

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Explanation: ....

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Disadvantage: ....

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Explanation: ....

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....[8]

(b) Place is an important part of the marketing mix. Consider **three** suitable channels of distribution Dilip could use for his new product in country X. Recommend which channel of distribution would be the best one to choose. Justify your answer.

Channel 1: ....

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Channel 2: ....

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Channel 3: ....

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Recommendation: ....

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....[12]

4 (a) Identify and explain **two** possible effects on DWP of strict legal controls on how businesses describe their products in advertisements.

Effect 1: ....

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Explanation: ....

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Effect 2: ....

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Explanation: ....

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....[8]

(b) Dilip is thinking of selling DWP's products in other countries. Consider **three** problems to DWP of entering foreign markets. Recommend whether DWP should sell in foreign markets. Justify your answer.

Problem 1: ....

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Problem 2: ....

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Problem 3: ....

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Recommendation: ....

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