Cambridge IGCSE

Cambridge Assessment International Education
Cambridge International General Certificate of Secondary Education

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

0923096848

BUSINESS STUDIES **0450/22**

Paper 2 **May/June 2019**

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

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

Cambridge Assessment International Education

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1 **(a)** Identify and explain **one** advantage and **one** disadvantage to WA of developing new products.

Advantage: ....

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Explanation: ....

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Disadvantage: ....

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Explanation: ....

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.... [8]

(b) Consider the following **three** possible business objectives for WA. Which objective is likely to be most important to WA in the long run? Justify your answer.

Be an environmentally friendly business: ....

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Increase market share: ....

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Survival: ....

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Conclusion: ....

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.... [12]

2 (a) Identify and explain **two** examples of tertiary sector businesses that help WA to be successful.

Example 1: ....

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Explanation: ....

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Example 2: ....

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Explanation: ....

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.... [8]

(b) Consider the following **two** ways WA could increase productivity. Recommend which would be the best way to choose to increase profit. Justify your answer.

Use computers in manufacturing and design: ....

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Improve employee skills: ....

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Recommendation: ....

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.... [12]

3 (a) Identify and explain how **two** stakeholder groups of WA are likely to be affected by the reduction in profit in 2018.

Stakeholder group 1: ....

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Explanation: ....

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Stakeholder group 2: ....

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Explanation: ....

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.... [8]

(b) Consider the following **three** ways WA could use to increase employee motivation. Recommend which way WA should choose. Justify your answer.

Introduce piece rate: ....

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Give shares in WA to employees: ....

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Introduce job rotation: ....

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Recommendation: ....

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.... [12]

4 **(a)** Calculate:

(i) The total cost per month of producing 100 items of furniture.

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.... [2]

(ii) The average cost of 1 piece of furniture.

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(iii) Explain how total cost and average cost will change if the output is increased to 200 items of furniture per month.

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.... [4]

(b) Consider how the following **three** changes might affect WA. Which change is likely to have the biggest effect on WA? Justify your answer.

Introduction of new cost to businesses of $50 per tonne for removing waste: ....

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Increase in legal minimum wage by 5%: ....

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Increase in tax on incomes: ....

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Conclusion: ....

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.... [12]

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