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Cambridge Assessment International Education

# Cambridge IGCSE™

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*1702036612*

**BUSINESS STUDIES** **0450/23**

Paper 2 Case Study **October/November 2022**

**1 hour 30 minutes**

You must answer on the question paper.

You will need: Insert (enclosed)

**INSTRUCTIONS**

- Answer **all** questions.
- Use a black or dark blue pen. You may use an HB pencil for any diagrams or graphs.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen or correction fluid.
- Do **not** write on any bar codes.
- You may use a calculator.

**INFORMATION**

- The total mark for this paper is 80.
- The number of marks for each question or part question is shown in brackets [ ].
- The insert contains the case study.

This document has **12** pages. Any blank pages are indicated.


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**1** **(a)** Explain **four** factors Duncan should consider when choosing which method of communication to use with DD's employees.

Factor 1: .....

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Factor 2: .....

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Factor 3: .....

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Factor 4: .....

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..... [8]

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**(b)** Consider **two** ways DD can increase added value. Which is the best way for DD to choose? Justify your answer.

Way 1: .....

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Way 2: .....

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Recommendation: .....

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..... [12]

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**2** **(a)** Explain **four** roles of marketing for a business.

Role 1: .....

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Role 2: .....

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Role 3: .....

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Role 4: .....

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..... [8]

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**(b)** Consider the advantages and disadvantages of the following **three** channels of distribution DD could use for its products. Which channel should DD choose? Justify your answer.

- Setting up a shop at the dairy.
- Selling to a number of large supermarkets.
- Selling to a wholesaler.

Setting up a shop at the dairy: .....

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Selling to a number of large supermarkets: .....

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Selling to a wholesaler: .....

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Recommendation: .....

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..... [12]

**3** **(a)** Explain **two** possible reasons why DD might hold low levels of inventory.

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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**(b)** Consider the following **three** methods DD could use to motivate its employees. Which is the best method to use? Justify your answer.

- Give employees a 50% discount on all DD products.
- Introduce profit sharing.
- Introduce job rotation.

Give employees a 50% discount on all DD products: .....

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Introduce profit sharing: .....

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Introduce job rotation: .....

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Recommendation: .....

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**4** **(a)** Explain **two** ways a reduction in interest rates might affect DD.

Way 1: .....

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Explanation: .....

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Way 2: .....

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Explanation: .....

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**(b)** Using Appendix 3 and other information, consider the financial position of DD and its main competitor. Which company is in a better financial position? Justify your answer using suitable calculations.

DD's financial position: .....

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Competitor's financial position: .....

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Conclusion: .....

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