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*8359598807*

**BUSINESS STUDIES** **0450/22**

Paper 2 Case Study **February/March 2023**

**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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**[Turn over**

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**1** **(a)** Explain **one** advantage and **one** disadvantage to RW of using flow production.

Advantage: .....

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Explanation: .....

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Disadvantage: .....

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Explanation: .....

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..... [8]

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**(b)** Consider how the following **three** changes may affect RW. Which change is likely to have the most effect on RW's revenue? Justify your answer.

- Changes in consumer tastes and fashions
- Increase in consumer incomes
- Decrease in the price of competitors' products

Changes in consumer tastes and fashions: .....

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Increase in consumer incomes: .....

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Decrease in the price of competitors' products: .....

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Conclusion: .....

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..... [12]

**2** **(a)** Explain **two** possible problems for RW of the business growing.

Problem 1: .....

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Explanation: .....

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Problem 2: .....

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Explanation: .....

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**(b)** Using Appendix 2 and other information, consider the **three** possible locations for RW's new factory. Which location should RW choose? Justify your answer.

Location A: .....

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Location B: .....

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Location C: .....

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Recommendation: .....

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..... [12]

3 **(a)** Explain **four** legal controls that may benefit employees.

Legal control 1: .....

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Legal control 2: .....

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Legal control 3: .....

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Legal control 4: .....

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**(b)** Consider the advantages and disadvantages of **two** methods of training, other than induction training, which RW could use for the employees in the new factory. Which of these two methods should RW choose? Justify your answer.

Method 1: .....

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Method 2: .....

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Recommendation: .....

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**4** **(a)** Explain **two** external benefits and **two** external costs from RW's factories.

External benefit 1: .....

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External benefit 2: .....

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External cost 1: .....

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External cost 2: .....

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**(b)** Using Appendix 3 and other information, consider whether the following forecasts are likely to be accurate after the new factory has been built. Do you think RW will achieve its forecast profit? Justify your answer.

Revenue forecast $20 million: .....

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Cost of sales forecast $6 million: .....

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Expenses forecast, including interest paid, $12 million: .....

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Conclusion: .....

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