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BUSINESS STUDIES

0450/22

Paper 2 Case Study

October/November 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.



1 (a) Explain **two** advantages of using specialisation when producing SSE’s products.

Advantage 1:

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Explanation:

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Advantage 2:

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Explanation:

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[8]

(b) Consider the advantages and disadvantages of the following **two** methods of market research SSE could use when entering new markets in other countries. Which method of market research should SSE use? Justify your answer.

- Primary market research
- Secondary market research

Primary market research:

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Secondary market research:

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Recommendation:

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[12]

- 2 (a) Explain **four** factors a business should consider when choosing which source of finance to use for expansion.

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]

(b) Consider the advantages and disadvantages of the following **two** options for SSE to distribute its products in the new markets in other countries. Which option should SSE choose? Justify your answer.

- Sell direct to customers using SSE's website
- Sell to large sports retailers in other countries

Sell direct to customers using SSE's website:

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Sell to large sports retailers in other countries:

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Recommendation:

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[12]

- 3 (a) Explain **one** advantage and **one** disadvantage to SSE of using internal recruitment for its new managers.

Advantage:

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Explanation:

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Disadvantage:

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Explanation:

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[8]

- (b) Consider how the following **three** barriers could make communication less effective between SSE's head office in country Z and its new factories in other countries. Which barrier would be the easiest to overcome? Justify your choice.
- Problem with the medium used
 - Problem with the sender
 - Problem with the receiver

Problem with the medium used:

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Problem with the sender:

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Problem with the receiver:

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Conclusion:

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[12]

4 (a) Explain **four** ways the break-even chart in Appendix 3 might be helpful to SSE.

Way 1:
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Way 2:
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Way 3:
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Way 4:
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[8]

(b) Consider how each of the following **three** changes may affect SSE. Which change is likely to have the greatest effect on SSE's profit? Justify your answer.

- A depreciation in the currency of country Z
- An import tariff introduced on sports helmets imported into country Z
- Quotas introduced on sports helmets in countries where SSE sells its products

A depreciation in the currency of country Z:

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An import tariff introduced on sports helmets imported into country Z:

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Quotas introduced on sports helmets in countries where SSE sells its products:

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Conclusion:

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[12]

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