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0450/23

October/November 2023

1 hour 30 minutes

You must answer on the question paper.

You will need: Insert (enclosed)

- 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.

- 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 **four** differences between a partnership and a limited company.

Difference 1:
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.....

Difference 2:
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.....
.....

Difference 3:
.....
.....
.....

Difference 4:
.....
.....
.....

[8]

(b) Consider **three** leadership styles that Benjy could use when managing BB. Which leadership style should Benjy use? Justify your answer.

Leadership style 1:
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Leadership style 2:
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Leadership style 3:
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Recommendation:
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[12]

- 2 (a) Explain **four** methods of primary market research Benjy could use to find out if there is a demand for BB’s services.

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

(b) Consider the following **three** pricing methods Benjy could use for BB's products. Which pricing method should be used? Justify your answer.

- Cost-plus
- Penetration
- Skimming

Cost-plus:

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Penetration:

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Skimming:

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Recommendation:

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[12]

3 (a) Explain **one** benefit and **one** limitation for BB of using job production.

Benefit:
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Explanation:
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Limitation:
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Explanation:
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[8]

(b) Using Appendix 2 and other information, consider the **two** options for BB’s first house. Which house should Benjy choose to build? Justify your answer.

House A:

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House B:

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Recommendation:

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[12]

- 4 (a) Using Appendix 3 and other information, explain **two** ways the depreciation in the exchange rate may affect BB.

Way 1:

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Explanation:

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Way 2:

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Explanation:

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[8]

(b) Consider the following **three** reasons why profit will be important to BB. Which reason is likely to be the most important? Justify your answer.

- Reward for risk-taking
- Source of finance
- Way to measure the success of the business

Reward for risk-taking:

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Source of finance:

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Way to measure the success of the business:

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Conclusion:

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..... [12]

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