GradeMax

* 0000800000001 *

Cambridge Assessment International Education

Cambridge IGCSE™

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

* 2 6 8 3 8 1 6 5 6 4 *

BUSINESS STUDIES **0450/22**

Paper 2 Case Study **February/March 2025**

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.

DC (WW) 345989/1
© UCLES 2025

[Turn over

GradeMax

1 **(a)** Explain **four** reasons why new businesses are at a greater risk of failing than existing businesses.

Reason 1: .....

.....

.....

.....

Reason 2: .....

.....

.....

.....

Reason 3: .....

.....

.....

.....

Reason 4: .....

.....

.....

.....

[8]

DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN

(b) Consider the following **two** types of business organisation that Charly could choose for her new business. Which type of business organisation should Charly choose? Justify your answer.

- Sole trader
- Private limited company

Sole trader: .....

.....

.....

.....

.....

.....

.....

.....

Private limited company: .....

.....

.....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

.....

.....

[12]

DO NOT WRITE IN THIS MARGIN

DO NOT WRITE IN THIS MARGIN

DO NOT WRITE IN THIS MARGIN

DO NOT WRITE IN THIS MARGIN

DO NOT WRITE IN THIS MARGIN

GradeMax

2 **(a)** Explain **two** functions of management for Charly when she is operating her new business.

Function 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Function 2: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

[8]

DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN

GradeMax

DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN

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

- Location A
- Location B

Location A: .....

.....

.....

.....

.....

.....

.....

.....

Location B: .....

.....

.....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

.....

.....

[12]

GradeMax

3 **(a)** Explain **one** advantage and **one** disadvantage of CR holding inventory.

Advantage: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Disadvantage: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

[8]

DO NOT WRITE IN THIS MARGIN

DO NOT WRITE IN THIS MARGIN

DO NOT WRITE IN THIS MARGIN

DO NOT WRITE IN THIS MARGIN

DO NOT WRITE IN THIS MARGIN

* 0000800000007 *

(b) Consider the advantages and disadvantages of the following **three** ways CR could use to sell its products. Which way should Charly choose? Justify your answer.

- Selling through CR's own shop
- Selling online
- Selling to a wholesaler

Selling through CR's own shop: .....

.....

.....

.....

.....

.....

Selling online: .....

.....

.....

.....

.....

.....

Selling to a wholesaler: .....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

[12]

DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN

GradeMax

4 **(a)** Explain **two** cash inflows and **two** cash outflows that are likely to be included in CR's cash flow forecast for its first year of trading.

Cash inflow 1: .....

.....

.....

.....

Cash inflow 2: .....

.....

.....

.....

Cash outflow 1: .....

.....

.....

.....

Cash outflow 2: .....

.....

.....

.....

[8]

DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN

GradeMax

(b) Using Appendix 3 and other information, consider the effects on CR of the decrease in taxes and the increase in interest rates in country P. Which change is likely to have the greatest effect on CR's profit in its first year? Justify your answer.

Decrease in taxes: .....

.....

.....

.....

.....

.....

.....

.....

Increase in interest rates: .....

.....

.....

.....

.....

.....

.....

.....

Conclusion: .....

.....

.....

.....

.....

.....

.....

.....

[12]

DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN

GradeMax

BLANK PAGE

DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN

GradeMax

BLANK PAGE

DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN

GradeMax

BLANK PAGE

DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN
DO NOT WRITE IN THIS MARGIN

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge Assessment International Education Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cambridgeinternational.org after the live examination series.

Cambridge Assessment International Education is part of Cambridge Assessment. Cambridge Assessment is the brand name of the University of Cambridge Local Examinations Syndicate (UCLES), which is a department of the University of Cambridge.