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BUSINESS STUDIES**0450/21**

Paper 2 Case Study

May/June 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.



- 1 (a) Explain **two** advantages and **two** disadvantages to Philip of changing PF from a sole trader business to a private limited company.

Advantage 1:

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Advantage 2:

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Disadvantage 1:

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Disadvantage 2:

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[8]



(b) Consider each of the following **three** methods PF could use to motivate its employees. Which method should PF use? Justify your answer.

- Paying bonuses
- Piece-rate
- Job rotation

Paying bonuses:

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Piece-rate:

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Job rotation:

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Recommendation:

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[12]





- 2 (a) Explain **one** advantage and **one** disadvantage of PF selling its products in a mass market.

Advantage:

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Explanation:

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Disadvantage:

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Explanation:

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[8]



(b) Consider the following **three** factors that may influence the location of PF's new factory. Which factor is likely to be the most important when deciding on the location? Justify your answer.

- Availability of raw materials
- Transport links
- Government influence

Availability of raw materials:

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Transport links:

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Government influence:

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Conclusion:

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Advantage 1:

Advantage 2:

Disadvantage 1:

Disadvantage 2:

[8]



(b) Consider the advantages and disadvantages of the following **three** methods of promotion PF could use for its new product range. Which is likely to be the best method for PF to use to increase sales? Justify your answer.

- Leaflets handed out in the street
- Billboards on the side of a main road
- Discounts on first purchase

Leaflets handed out in the street:

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Billboards on the side of a main road:

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Discounts on first purchase:

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Conclusion:

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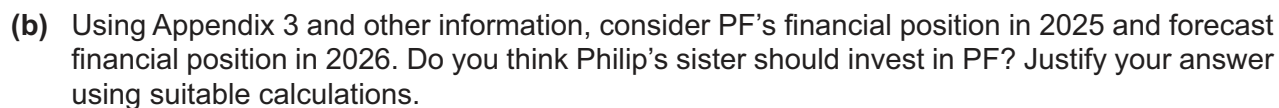
Tax on people's income:

Explanation:

Tax on profit made by businesses:

Explanation:

[8]



2025:

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2026 (forecast):

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Recommendation:

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[12]



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