GradeMax

* 0000800000001 * DFD

CAMBRIDGE
International Education

Cambridge IGCSE™

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

8457117623

BUSINESS STUDIES **0450/13**

Paper 1 Short Answer and Data Response **May/June 2026**

1 hour 30 minutes

You must answer on the question paper.

No additional materials are needed.

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. Do **not** use correction fluid or tape.
- 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 [ ].

This document has **12** pages. Any blank pages are indicated.

06_0450_13_2026_1.14
© Cambridge University Press & Assessment 2026

[Turn over

GradeMax

1 MCL is a wholesaler which sells fruit and vegetables. Most of MCL's customers are small retail businesses. MCL's owner, George, is aware that the market has become more competitive. He wants to know how a business can respond to an increase in competition. George is reviewing MCL's cash flow forecast. An extract is shown in Table 1.1.

Table 1.1
Extract from MCL's cash flow forecast July - September 2026 ($000)

	July	August	September
cash inflow	**X**	400	380
cash outflow	300	420	350
net cash flow	80	(20)	30
opening balance	70	150	130
closing balance	150	130	**Y**

(a) Identify **two** cash inflows a business might have.

cash inflow 1 .....

.....

cash inflow 2 .....

.....

[2]

(b) Calculate **X** and **Y**.

X .....

.....

Y .....

.....

[2]

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

© Cambridge University Press & Assessment 2026

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

(c) Identify **four** ways a business could respond to an increase in competition.

way 1 .....

.....

way 2 .....

.....

way 3 .....

.....

way 4 .....

.....

[4]

(d) Explain **two** ways George could use MCL's cash flow forecast.

way 1 .....

.....

explanation .....

.....

.....

.....

way 2 .....

.....

explanation .....

.....

.....

.....

[6]

© Cambridge University Press & Assessment 2026 06_0450_13_2026_1.14 **[Turn over**

(e) Do you think the advantages for a small retail business of buying products from a wholesaler are greater than the disadvantages? Justify your answer.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [6]

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

© Cambridge University Press & Assessment 2026

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

2 CCH builds large boats in its factory. The business has 1800 employees who are all members of a trade union. All CCH's employees are offered regular on-the-job training. The human resources director uses different financial methods of motivation for CCH's production employees. She knows there are many legal controls over employment that might affect a business. The directors want to know the advantages to CCH of changes in technology.

(a) Identify **two** benefits to employees of being members of a trade union.

benefit 1 .....

.....

benefit 2 .....

.....

[2]

(b) Identify **two** legal controls over employment that might affect a business.

legal control 1 .....

.....

legal control 2 .....

.....

[2]

(c) Outline **two** financial methods of motivation CCH could use for its production employees.

method 1 .....

.....

.....

.....

method 2 .....

.....

.....

.....

[4]

© Cambridge University Press & Assessment 2026

(d) Explain **two** advantages to CCH of changes in technology.

advantage 1 .....

.....

explanation .....

.....

.....

.....

advantage 2 .....

.....

explanation .....

.....

.....

.....

[6]

(e) Do you think the advantages to a business of using on-the-job training are greater than the disadvantages? Justify your answer.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

[6]

© Cambridge University Press & Assessment 2026

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

3 CNR is a bank in country X. It is a private limited company. One of CNR's business objectives is growth and the directors are planning to merge the bank with one of its competitors. This decision will affect many stakeholder groups. After the merger, CNR will have 8000 branches and 36 000 employees. The managing director knows she will have to find a suitable method of communication to inform CNR's employees about the merger.

(a) Define 'business objective'.

.....

.....

.....

..... [2]

(b) Identify **two** external stakeholder groups a business might have.

external stakeholder group 1 .....

.....

external stakeholder group 2 .....

.....

[2]

(c) Outline **one** advantage and **one** disadvantage to CNR of being a private limited company.

advantage .....

.....

.....

.....

disadvantage .....

.....

.....

.....

[4]

© Cambridge University Press & Assessment 2026

(d) Explain **two** methods of communication CNR could use to inform its employees about the merger.

method 1 .....

.....

explanation .....

.....

.....

.....

method 2 .....

.....

explanation .....

.....

.....

.....

[6]

(e) Explain **two** possible problems a business might experience as it grows. Which problem is likely to be the most important? Justify your answer.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

[6]

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

© Cambridge University Press & Assessment 2026

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

4 LKH manufactures clothes. It is a multinational company (MNC) with factories in 3 countries. LKH is affected by import quotas. The operations director wants to improve the quality of LKH's products. Primary market research will be used to find out what customers think about LKH's clothes. The accuracy of the market research data is important.

(a) Identify **two** methods of primary market research.

method 1 .....

.....

method 2 .....

.....

[2]

(b) Identify **two** factors which could affect the accuracy of market research data.

factor 1 .....

.....

factor 2 .....

.....

[2]

(c) Outline **two** ways import quotas affect LKH.

way 1 .....

.....

.....

.....

way 2 .....

.....

.....

.....

[4]

© Cambridge University Press & Assessment 2026

GradeMax

(d) Explain **two** reasons LKH wants to improve the quality of its products.

reason 1 .....

.....

explanation .....

.....

.....

.....

reason 2 .....

.....

explanation .....

.....

.....

.....

[6]

(e) Explain **two** possible disadvantages to a country of a multinational company (MNC) locating there. Which disadvantage is likely to be the most important? Justify your answer.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

[6]

© Cambridge University Press & Assessment 2026

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

© Cambridge University Press & Assessment 2026

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 (Cambridge University Press & Assessment) 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 our 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 International Education is the name of our awarding body and a part of Cambridge University Press & Assessment, which is a department of the University of Cambridge.

© Cambridge University Press & Assessment 2026