



Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

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BUSINESS STUDIES

0450/23

Paper 2

May/June 2014

1 hour 45 minutes

Candidates answer on the Question Paper.

No Additional Materials are required.

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name on all the work you hand in.

Write in dark blue or black pen.

Do not use staples, paper clips, glue or correction fluid.

DO NOT WRITE IN ANY BARCODES.

Answer **all** questions.

The Insert contains the case study.

The business described in this question paper is entirely fictitious.

At the end of the examination, fasten all your work securely together.

The number of marks is given in brackets [] at the end of each question or part question.

The syllabus is approved for use in England, Wales and Northern Ireland as a Cambridge International Level 1/Level 2 Certificate.

This document consists of **11** printed pages, **1** blank page and **1** Insert.

- 1 (a) Identify and explain **two** benefits to Selina of making most of the jewellery herself rather than buying it from a manufacturer.

Benefit 1:

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Explanation:

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Benefit 2:

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Explanation:

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..... [8]

(b) Selina wants to increase sales of her jewellery. Consider the advantages and disadvantages of each of the following ways of promoting the jewellery. Recommend which is the best way to promote the jewellery. Justify your answer.

'Buy one get one free' on certain items of jewellery:

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25% price reduction on all jewellery for one month:

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Advert in national newspaper:

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Recommendation:

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.....

[12]

- 3 (a) Identify and explain **two** factors that affect how much stock of jewellery Selina's shop should have.

Factor 1:

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Explanation:

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Factor 2:

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Explanation:

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..... [8]

(b) Consider **three** factors Selina should think about when deciding whether to lease the new machine. Recommend whether she should lease the new machine. Justify your answer.

Factor 1:

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Factor 2:

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Factor 3:

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Recommendation:

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[12]

4 (a) (i) Refer to Appendix 1. Calculate the break-even sales per month for 2013.

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..... [2]

(ii) Identify and explain **two** benefits to Selina of calculating the break-even sales for the shop.

Benefit 1:
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Explanation:
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Benefit 2:
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Explanation:
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..... [6]

- 5 (a) Governments often want to encourage the growth of small businesses. Identify and explain **two** reasons why the Government would want to help small businesses like Selina's.

Reason 1:

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Explanation:

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Reason 2:

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Explanation:

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..... [8]

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