



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

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BUSINESS STUDIES

0450/22

Paper 2

October/November 2011

1 hour 45 minutes

Candidates answer on the Question Paper.

Additional Materials: Insert

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, highlighters, glue or correction fluid.
DO NOT WRITE IN ANY BARCODES.

Answer **all** questions.
The Insert contains the case study.
The businesses described in this question paper are 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.

For Examiner's Use	
1	
2	
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Total	

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



- 1 (a) Carlos thinks that good customer service is very important to the business. Explain **two** reasons why this might be true for BB Boat Tours.

*For
Examiner's
Use*

Reason 1:

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Reason 2:

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[8]

(b) Abdul wants to change the pricing strategy used by the business. It currently uses cost plus pricing. Consider **three** other pricing strategies that could be used and recommend which pricing strategy you think would be the best one. Justify your answer.

*For
Examiner's
Use*

Pricing strategy 1:
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Pricing strategy 2:
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Pricing strategy 3:
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Recommendation:
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[12]

- 2 (a) Bruce is thinking of leaving the partnership. Identify and explain **two** factors Bruce might consider when deciding whether or not to leave the partnership.

Factor 1:

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Explanation:

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Factor 2:

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Explanation:

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..... [8]

3 (a) Appendix 2 shows the website of one of BB Boat Tours' competitors. Identify and explain **four** ways that BB Boat Tours could make use of the Internet.

1.

Explanation:

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2.

Explanation:

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3.

Explanation:

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4.

Explanation:

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..... [8]

(b) The brothers have decided to reduce the number of employees. Explain **three** factors they should consider when deciding which employees to make redundant. Which do you think is the most important factor? Justify your answer.

*For
Examiner's
Use*

Factor 1:
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Factor 2:
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Factor 3:
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Most important factor:
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[12]

- 4 (a) BB Boat Tours made a loss last year and this worried the brothers. Identify and explain **two** reasons why converting the partnership to a private limited company might be better for Abdul, Bruce and Carlos.

Reason 1:

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Explanation:

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Reason 2:

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Explanation:

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..... [8]

- 5 (a) The local currency has fallen in value (depreciated) against the euro. This means each unit of the local currency buys fewer euros than last year. Identify and explain **two** effects this might have on BB Boat Tours.

Effect 1:

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Explanation:

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Effect 2:

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Explanation:

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..... [8]

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