



Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

CANDIDATE
NAME

--

CENTRE
NUMBER

--	--	--	--	--

CANDIDATE
NUMBER

--	--	--	--



BUSINESS STUDIES

0450/22

Paper 2

February/March 2016

1 hour 30 minutes

Candidates answer on the Question Paper.

No Additional Materials are required.

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name in the spaces at the top of this page.

Write in dark blue or black pen.

You may use an HB pencil for any diagrams, graphs or rough working.

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 total number of marks for this paper is 80.

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 **9** printed pages, **3** blank pages and **1** Insert.

- 1 (a) Identify and explain **two** benefits to DWP resulting from the change to a private limited company.

Benefit 1:

.....

Explanation:

.....

.....

.....

.....

.....

Benefit 2:

.....

Explanation:

.....

.....

.....

.....

..... [8]

(b) Consider the effects of each of the following **three** changes on DWP's profit. Recommend which change you think will have the biggest effect on DWP's profit. Justify your answer.

Decrease in consumers' income:

.....
.....
.....
.....
.....

Increase in sales of washing machines:

.....
.....
.....
.....
.....

Introduction of a new washing liquid by a competitor:

.....
.....
.....
.....
.....

Recommendation:

.....
.....
.....
.....
.....
.....

[12]

2 (a) Identify and explain **four** functions of management which Dilip should carry out.

Function 1:

.....

Explanation:

.....

Function 2:

.....

Explanation:

.....

Function 3:

.....

Explanation:

.....

Function 4:

.....

Explanation:

.....[8]

(b) Refer to Appendix 3. Consider the **three** options to increase output. Recommend the best option for Dilip to choose. Justify your answer.

Purchase new equipment:

.....
.....
.....
.....
.....

Employ 10 additional production workers:

.....
.....
.....
.....
.....

Purchase partly processed raw materials:

.....
.....
.....
.....
.....

Recommendation:

.....
.....
.....
.....
.....
.....

[12]

- 3 (a) Identify and explain **one** advantage and **one** disadvantage to the business of Dilip training production employees using on-the-job training.

Advantage:

.....

Explanation:

.....

.....

.....

.....

.....

Disadvantage:

.....

Explanation:

.....

.....

.....

.....

..... [8]

(b) Place is an important part of the marketing mix. Consider **three** suitable channels of distribution Dilip could use for his new product in country X. Recommend which channel of distribution would be the best one to choose. Justify your answer.

Channel 1:
.....
.....
.....
.....
.....

Channel 2:
.....
.....
.....
.....

Channel 3:
.....
.....
.....
.....

Recommendation:.....
.....
.....
.....
.....

[12]

- 4 (a) Identify and explain **two** possible effects on DWP of strict legal controls on how businesses describe their products in advertisements.

Effect 1:

.....

Explanation:

.....

.....

.....

.....

.....

Effect 2:

.....

Explanation:

.....

.....

.....

.....

.....[8]

(b) Dilip is thinking of selling DWP's products in other countries. Consider **three** problems to DWP of entering foreign markets. Recommend whether DWP should sell in foreign markets. Justify your answer.

Problem 1:

.....
.....
.....
.....
.....
.....

Problem 2:

.....
.....
.....
.....
.....
.....

Problem 3:

.....
.....
.....
.....
.....
.....

Recommendation:

.....
.....
.....
.....
.....
.....

[12]

BLANK PAGE

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 International Examinations Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cie.org.uk after the live examination series.

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