**Cambridge International Examinations**
Cambridge Ordinary Level

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

*0167491319*

**BUSINESS STUDIES** **7115/21**

Paper 2 **May/June 2015**

**1 hour 30 minutes**

Candidates answer on the Question Paper.

Additional Materials: Insert.

**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.

This document consists of **9** printed pages, **3** blank pages and **1** Insert.

DC (RW) 109043


CAMBRIDGE International Examinations

1 (a) Identify and explain **two** characteristics David needs to be a successful entrepreneur.

Characteristic 1: ..............................................................................................................

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Explanation: ......................................................................................................................

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Characteristic 2: ..............................................................................................................

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Explanation: ......................................................................................................................

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**(b)** David has appointed a manager to control each department as shown in Appendix 1. Identify and explain **three** management functions of the Operations manager. Which do you think is the most important management function? Justify your answer.

Function 1: ..............................................................................................................

Explanation: ..............................................................................................................

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Function 2: ..............................................................................................................

Explanation: ..............................................................................................................

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Function 3: ..............................................................................................................

Explanation: ..............................................................................................................

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Most important function for Operations manager: ..............................................................

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2 (a) Identify and explain **two** ways in which marketing is important for DD.

Way 1: ..........................................................................................................................

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Explanation: ..........................................................................................................................

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Way 2: ..........................................................................................................................

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Explanation: ..........................................................................................................................

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**(b)** Consider the advantages of using e-commerce and the advantages of selling to supermarkets in other countries. Recommend which way DD should use to increase sales. Justify your answer.

E-commerce: ..........................................................................................................

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Selling to supermarkets in other countries: ..................................................................

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

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3 (a) The company Balance Sheet helps David assess the performance of the business.

(i) Calculate the current ratio and acid test ratio for 2014.

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(ii) Compare your **two** ratio results with those of 2013 (see Appendix 2).

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**(b)** David wants to increase efficiency in his factory. Consider Option A and Option B and then recommend which one he should choose. Justify your answer.

Option A: ..........................................................................................................................

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Option B: ..........................................................................................................................

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

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4 (a) Identify and explain **four** factors DD should consider when packaging cakes if they are exported.

Factor 1: ..........................................................................................................................

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Explanation: ..........................................................................................................................

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Factor 2: ..........................................................................................................................

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Explanation: ..........................................................................................................................

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Factor 3: ..........................................................................................................................

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Explanation: ..........................................................................................................................

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Factor 4: ..........................................................................................................................

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Explanation: ..........................................................................................................................

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**(b)** External factors can affect the profitability of a company. For each of the following changes consider how it might affect DD's profit. Which change is likely to have the greatest effect on DD's profit? Justify your answer.

Increasing GDP in country X: ..........................................................................................

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Reduced supply of the raw materials used to make cakes: ..............................................

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Television programme highlighting the effects on health of eating too many cakes: .................

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Conclusion: ......................................................................................................

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