



# Cambridge O Level

CANDIDATE  
NAME

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CENTRE  
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## BUSINESS STUDIES

7115/24

Paper 2 Case Study

May/June 2021

1 hour 30 minutes

You must answer on the question paper.

You will need:      Insert (enclosed)

### 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 or correction fluid.
- 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 [ ].
- The insert contains the case study.

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



- 1 (a) Explain **two** business objectives that Andrew is likely to have for AAR.

Objective 1: .....

Explanation: .....

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Objective 2: .....

Explanation: .....

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[8]

(b) Consider the advantages and disadvantages of the following **three** sources of finance Andrew could use when he expands the business. Which is the best source for Andrew to choose? Justify your answer.

- Bank loan
- Business partner
- Change to a private limited company and sell shares

Bank loan: .....

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Business partner: .....

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Change to a private limited company and sell shares: .....

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Recommendation: .....

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[12]

- 2 (a) Explain **two** benefits to AAR of having well-motivated employees.

Benefit 1: .....

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Explanation: .....

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Benefit 2: .....

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Explanation: .....

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[8]

- (b) Referring to Appendix 1, consider **three** ways Andrew could improve AAR's cash flow. Which one should he choose? Justify your answer.

Way 1: .....

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Way 2: .....

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Way 3: .....

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Recommendation: .....

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[12]

- 3 (a) Explain **four** factors Andrew would have considered when deciding where to locate AAR's shop.

Factor 1: .....

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Factor 2: .....

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Factor 3: .....

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Factor 4: .....

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[8]

- Method 1: .....

[illegible]

Method 2: .....

[illegible]

Recommendation: .....

[illegible]

[12]

- 4 (a) Explain **four** suitable methods of promotion a business could use to attract customers to a new service.

Method 1: .....

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Method 2: .....

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Method 3: .....

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Method 4: .....

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[8]



- (b) Consider how the **three** changes in legal controls outlined in Appendix 3 are likely to affect AAR. Which change is likely to have the most effect on AAR's profit? Justify your answer.

Legal control 1: .....

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Legal control 2: .....

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Legal control 3: .....

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Conclusion: .....

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[12]

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