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Cambridge Assessment International Education

# Cambridge O Level

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

*1386246049*

**BUSINESS STUDIES** **7115/22**

Paper 2 Case Study **October/November 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.


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1 **(a)** Explain **two** reasons why PPE may remain small.

Reason 1: ..........................................................................................................

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

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Reason 2: ..........................................................................................................

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

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**(b)** Consider the advantages and disadvantages of **two** suitable types of business organisation for PPE. Which do you think is the best one if PPE grows? Justify your answer.

Type of business organisation 1: ..........................................................................

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Type of business organisation 2: ..........................................................................

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

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2 (a) Explain **two** advantages and **two** disadvantages of using job production.

Advantage 1: ..........................................................................................................

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Advantage 2: ..........................................................................................................

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Disadvantage 1: ..........................................................................................................

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Disadvantage 2: ..........................................................................................................

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**(b)** Consider the advantages and disadvantages to PPE of using the following **three** sources of finance to obtain new machinery. Which source should PPE choose? Justify your answer.

- Crowd-funding
- Bank loan
- Leasing

Crowd-funding: ..........................................................................................................

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Bank loan: ..........................................................................................................

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Leasing: ..........................................................................................................

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

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3 (a) Explain **one** cost and **one** benefit for PPE of developing a new product.

Cost of developing a new product: ..........................................................................

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

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Benefit of developing a new product: ......................................................................

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

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**(b)** Consider the following **three** pricing methods PPE could use when launching its new product. Which pricing method should it use? Justify your answer.

- Cost-plus
- Penetration
- Skimming

Cost-plus: ..........................................................................................................

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Penetration: ..........................................................................................................

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Skimming: ..........................................................................................................

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

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4 (a) Explain **four** functions of management carried out by Kaari.

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

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

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

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Function 4: ..........................................................................................................

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**(b)** Using Appendix 2 and other information, consider whether PPE should produce only large items of playground equipment or produce only small items of playground equipment. Justify your answer using suitable calculations.

Produce only large items of playground equipment: ..........................................................

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Produce only small items of playground equipment: ..........................................................

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

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