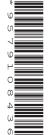
0450/21



## UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS International General Certificate of Secondary Education

CANDIDATE NAME					
CENTRE NUMBER			CANDIDATE NUMBER		



BUSINESS STUDIES

Paper 2 October/November 2011

1 hour 45 minutes

Candidates answer on the Question Paper.

No Additional Materials are required.

## **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 Exam	iner's Use
1	
2	
3	
4	
5	
Total	

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



1	(a)	Simon wants to motivate his production workers to work harder. Identify <b>two</b> methods he could use to motivate production workers at Everyday Suits. Explain why these methods would be effective.	For Examiner's Use
		Method 1:	
		Explanation:	
		Method 2:	
		Explanation:	
		[8]	

Choose four departments that Simon could create and justify why each department could be important to the success of the business.  Department 1:  Department 2:  Department 3:  Department 4:	Appendix 2 shows the proposed new organisation chart for Everyday Suits. Simon will not be able to do all the work himself if the business grows bigger.	Exam.
Department 2:  Department 3:		
Department 2:  Department 3:	Department 1:	
Department 2:  Department 3:		
Department 2:  Department 3:		
Department 2:  Department 3:		
Department 3:		
Department 3:	Department 2:	
Department 3:		
Department 3:		
Department 3:		
Department 4:	Department 3:	
Department 4:		
	Department 4:	

2	(a)	Refer to Appendix 3. Identify and explain <b>two</b> ways Simon could <b>increase</b> the added value of his current business.	For Examiner's Use
		First way:	
		Explanation:	
		Second way:	
		Explanation:	
		[8]	

To expand the business Simon may need new machinery. To finance this, he is considering using an overdraft or leasing the equipment or selling more shares. Consider these <b>three</b> options for raising finance and recommend which one he should choose. Justify your choice.						
Using an overdraft:						
Leasing equipment:						
2000mg oquipmonii						
Selling more shares:						
Recommendation:						

3	(a)	As Everyday Suits expands it will need to employ new managers. Identify and explain <b>four</b> parts of an induction training programme for new managers.	For Examiner's Use
		1	
		Explanation:	
		2	
		Explanation:	
		3	
		Explanation:	
		4	
		Explanation:	
		[8]	

Simon thinks that Option 1 would require a different marketing mix to Option 2. In what ways do you think each of the elements of the marketing mix will be different for Option 1 and Option 2? Justify your answer.
Product:
D:
Price:
Promotion:
Place:
[12]

4	(a)	As Everyday Suits expands it could gain from economies of scale. Identify and explain <b>two</b> examples of economies of scale the business might benefit from as it expands.	For Examiner's Use
		Example 1:	
		Explanation:	
		Example 2:	
		Explanation:	
		[8]	

	inancial position of the business? Justify your answer using appropriate ratios.	
•		
•		
•		
•		
•		
•		
•		
•		

5	(a)	Everyday Suits currently uses batch production. However, if Simon chooses Option 1 job production will be used or if he follows Option 2 flow production will be used. Explain the main features of job production for Option 1 and the main features of flow production for Option 2.
		Job production:
		Flow production:
		[8]

(b)	Simon will need to use new machinery in the production of suits if he chooses Option 2. Do you think that the production workers at Everyday Suits would think the use of new machinery was a good idea or not? Justify your answer.	For Examiner's Use
	[12]	

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.

University of 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.