



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
General Certificate of Education Ordinary Level

CANDIDATE
NAME

CENTRE
NUMBER

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CANDIDATE
NUMBER

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BUSINESS STUDIES

7115/02

Paper 2

May/June 2009

1 hour 45 minutes

Candidates answer on the Question Paper.
Additional Materials: Insert

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 Examiner's Use	
1	
2	
3	
4	
5	
Total	

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



- 1 (a) Python Bicycles use batch production. Identify and explain **one** advantage and **one** disadvantage of batch production to Python Bicycles.

Advantage:

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Explanation:

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Disadvantage:

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Explanation:

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[8]

- (b) The new owners want to increase the profitability of Python Bicycles. Consider the methods that could be used to increase the profitability of Python Bicycles. Recommend which method you think would be the most effective. Justify your recommendation.

Method 1:

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Method 2:

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Method 3:

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Recommendation:

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- 2 (a) The number of employees leaving each year is high as workers are not happy with their working conditions. Identify and explain **two** reasons why poor motivation and the workers may be damaging for Python Bicycles.

Reason 1:

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Explanation:

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Reason 2:

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Explanation:

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..... [8]

- (b)** Do you think that higher wages would be the most effective way of increasing the motivation of the employees at Python Bicycles? Justify your answer.

[12]

- 3 (a) Before targeting a different market segment, Python Bicycles needs to carry out research. Explain to the Marketing Manager of Python Bicycles how to carry out primary market research.

[8]

- (b) Do you agree with the Marketing Manager that Python Bicycles will need to change each of the elements of the marketing mix if children's bicycles are to be sold? (Appendix 2). Justify your answers.

Element 1 of marketing mix:

Need to change this element?

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Element 2 of marketing mix:

Need to change this element?

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Element 3 of marketing mix:

Need to change this element?

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Element 4 of marketing mix:

Need to change this element?

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..... [12]

- 4 (a)** A cash flow forecast is used by the company to help it with its financial control. Explain why Python Bicycles would find a cash flow forecast useful.

[8]

[8]

- (b)** Do you think Python Bicycles is in a strong financial position? Explain your answer using information from Appendix 1 and the other case material given.

[12]

- 5 (a) Identify and explain **two** reasons why governments encourage exports.
(See Appendix 3).

Reason 1:

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Explanation:

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Reason 2:

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Explanation:

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[8]

- (b) What do you think are the **four** most important factors that Python Bicycles consider when deciding whether to export their bicycles? Justify your answers.

Factor 1:

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Factor 2:

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Factor 3:

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Factor 4:

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