



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS  
General Certificate of Education Ordinary Level

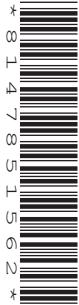
CANDIDATE  
NAME

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**BUSINESS STUDIES**

**7115/22**

Paper 2

**May/June 2011**

**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 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.

For Examiner's Use	
<b>1</b>	
<b>2</b>	
<b>3</b>	
<b>4</b>	
<b>5</b>	
<b>Total</b>	

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



- 1 (a) The Directors of TT Foods are thinking of introducing machinery into the production and packing process. Identify and explain **two** reasons why the workers might be **happy** with this decision.

For  
Examiner's  
Use

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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..... [8]

- (b) For the new machinery TT Foods will need to raise finance. The Directors are considering either taking out a bank loan, leasing the machinery or selling additional shares to family and friends. Consider these **three** possibilities for raising finance and recommend which one they should choose. Justify your choice.

For  
Examiner's  
Use

Bank loan: .....

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Leasing machinery: .....

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Selling shares: .....

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Recommendation: .....

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.....[12]

- 2 (a) Identify and explain **two** factors that will affect the pricing decisions of TT Foods when deciding what price to charge large stores for their ready-made meals.

For  
Examiner's  
Use

Factor 1: .....

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Explanation: .....

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Factor 2: .....

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Explanation: .....

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.....[8]

- (b) TT Foods want to reduce the costs of the food ingredients they buy. They are considering three possibilities:

For  
Examiner's  
Use

- (i) Keep buying their food from a wholesaler but purchase the food less often in much larger quantities or
- (ii) Buy the food directly from farms or
- (iii) Buy their own farms and grow the food themselves.

Consider the advantages and disadvantages of these **three** possibilities and recommend which one the Directors should choose. Justify your choice.

(i): .....

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(ii): .....

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(iii): .....

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Recommendation: .....

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[12]

- 3 (a) Appendix 3 suggests that there is increasing demand for airline flights. Identify and explain **two** effects on TT Foods of this increase in the number of passengers.

For  
Examiner's  
Use

Effect 1: .....

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Explanation: .....

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Effect 2: .....

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Explanation: .....

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- For  
Examiner's  
Use

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[illegible]

..... [12]

- 4 (a) Below is an outline for a job (person) specification for a Production Manager. Refer to Appendix 2. Explain why each requirement shown below should be included in the job specification.

For  
Examiner's  
Use

Job title: Production Manager

Requirements	Example of requirement	Why each requirement should be included
Qualifications	University degree in Management	Explanation: ..... ..... ..... ..... .....
Skills	Able to lead a team of workers	Explanation: ..... ..... ..... ..... .....
Experience	At least 5 years experience in food processing	Explanation: ..... ..... ..... ..... .....
Personal Characteristics	Well organised	Explanation: ..... ..... ..... ..... .....

[8]



- For  
Examiner's  
Use

[illegible][illegible]

.....[12]

- 5 (a) TT Foods have to follow many consumer protection laws. Identify and explain **four** benefits to consumers of such laws.

For  
Examiner's  
Use

Benefit 1: .....

Explanation: .....

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Benefit 2: .....

Explanation: .....

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Benefit 3: .....

Explanation: .....

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Benefit 4: .....

Explanation: .....

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.....[8]

- (b) The case mentions that there are a high number of workers leaving the company each year because of poor motivation. Consider **three** different methods that TT Foods could use to increase motivation of the production workers and recommend which method you think will be the most effective. Justify your answer.

For  
Examiner's  
Use

Method 1: .....

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Method 2: .....

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Method 3: .....

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Recommendation: .....

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