Cambridge Assessment International Education

# Cambridge O Level

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

*9595744191*

**BUSINESS STUDIES** **7115/21**

Paper 2 Case Study **October/November 2022**

**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 **four** business objectives Tokumbo could set for SA.

Objective 1: ..................................................................................................................

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Objective 2: ..................................................................................................................

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Objective 3: ..................................................................................................................

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Objective 4: ..................................................................................................................

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**(b)** Consider the opportunities and threats of e-commerce for SA. Which is likely to have the greatest effect on SA? Justify your answer.

Opportunities: ..........................................................................................................

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Threats: ..........................................................................................................

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

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**2** **(a)** Explain **four** reasons why quality is important to a business.

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

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

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Reason 4: ..........................................................................................................

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**(b)** Consider the following **three** sources of finance Tokumbo could use for the new vehicles. Which source should he choose? Justify your answer.

- Leasing
- Bank loan
- Retained profit

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

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

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Retained profit: ..........................................................................................................

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

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3 (a) Explain **one** advantage and **one** disadvantage to Tokumbo of being a sole trader.

Advantage: ..........................................................................................................

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

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Disadvantage: ..........................................................................................................

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

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**(b)** Using Appendix 3 and other information, consider the **three** options for the future growth of SA. Which option should Tokumbo choose? Justify your answer using appropriate calculations.

Option 1: ..........................................................................................................

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Option 2: ..........................................................................................................

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Option 3: ..........................................................................................................

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

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4 **(a)** Explain **two** possible effects on SA of the increase in the rate of inflation in country X.

Effect 1: ..........................................................................................................................

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

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Effect 2: ..........................................................................................................................

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

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**(b)** Consider the advantages and disadvantages of **two** methods of training Tokumbo could use for his existing employees. Which method should he use? Justify your answer.

Method 1: ..........................................................................................................

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Method 2: ..........................................................................................................

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

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