

Cambridge International Examinations

Cambridge International General Certificate of Secondary Education

Paper 2		May/June 2016
BUSINESS STUDIES		0450/22
CENTRE NUMBER	CANDIDATE NUMBER	
CANDIDATE NAME		

Candidates answer on the Question Paper.

No Additional Materials are required.

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name in the spaces at the top of this page.

Write in dark blue or black pen.

You may use an HB pencil for any diagrams, graphs or rough working.

Do not use staples, paper clips, 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.

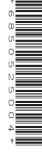
At the end of the examination, fasten all your work securely together.

The number of marks is given in brackets [] at the end of each question or part question.

The total number of marks for this paper is 80.

The syllabus is approved for use in England, Wales and Northern Ireland as a Cambridge International Level 1/Level 2 Certificate.





1 hour 30 minutes

1	(a)	Identify and explain two possible reasons why Thao and Liang have set 'excellent customer' as the main business objective.	omei
		Reason 1:	
		Explanation:	
		Page 2:	
		Reason 2:	
		Explanation:	
			ſΩΊ

answer.	Which legal control do you think will have the biggest effect on FF? Justify yo
Health and	safety training now required for all employees:
Increase of	20% in the legal minimum wage:
	from unfair dismissal now applies to employees who have been employed for o
	from unfair dismissal now applies to employees who have been employed for onstead of 2 years:
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2	(a)	Identify and explain two possible benefits to FF from changes in IT. See Appendix 1.
		Benefit 1:
		Explanation:
		Benefit 2:
		Explanation:
		ro.

)	To expand, FF needs to attract new customers. Consider the following three methods of market research. Which method do you think will be most effective in identifying the needs of potential customers? Justify your answer.
	Secondary research on weddings:
	Questionnaires given out at wedding dress shops:
	Interviews with photographers from other parts of the country:
	Conclusion:
	[12]

3	(a)	Identify four stakeholder groups who would want to see FF's accounts and explain why each group would want to see them.
		Stakeholder group 1:
		Explanation:
		Stakeholder group 2:
		Explanation:
		Stakeholder group 3:
		Explanation:
		Stakeholder group 4:
		Explanation:
		[0]

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В	usine	ss A:				 	 	 	 	
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В	usines	ss B:				 	 	 	 	
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R	ecom	mend	lation:			 	 	 	 	

4	(a)	The Government has increased interest rates to reduce inflation. Identify and explain two ways an increase in interest rates might affect FF.
		Way 1:
		Explanation:
		Way 2:
		Explanation:
		[8]

Thao and Liang need to raise finance to take over another business. Consider the advantages and disadvantages of the following three sources of finance which they could use. Recommend which source of finance Thao and Liang should choose. Justify your answer.
Retained profit:
Issue of more shares:
Donk loon.
Bank loan:
Recommendation:
[12]

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