

Cambridge International Examinations Cambridge International General Certificate of Secondary Education

BUSINESS STUDIES

Paper 2

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1 hour 30 minutes



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

This document consists of **3** printed pages and **1** blank page.



SC Cars (SC)

SC is a public limited company that has been producing cars for 25 years in country M. It uses flow production with modern technology, such as robots, to manufacture the cars. This allows each car to be produced to the exact requirements of the customer who ordered it. To do this, each car has a bar-code that indicates how it is to be produced with slight differences from the next car. For example, one car may have black paint and 2 doors and the next car red paint and 4 doors.

The quality method used is quality control. The Operations manager believes that without a good reputation the business would fail. She knows that technology is important to keep the business efficient and competitive.

SC employs 300 workers on the production line. There are two shifts each day: an early shift of 8 hours and a late shift of 8 hours. There is a 6-day working week. Few holidays are allowed apart from national holidays. The workers complain that the working conditions are not good.

The directors want the business to expand by starting to export cars to nearby countries. Finance is available for this expansion.

Appendix 1

Advert for SC produced by an advertising agency



Appendix 2

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Financial information for SC (\$m)

	2015	2016
Revenue Cost of sales Expenses	200 160 30	250 210 30
Capital employed Of which:	40	50
Long-term bank loans	20	30
Average share price for SC	\$14 per share	\$15 per share

Appendix 3



Graph of car sales in selected countries 2015–2018

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