

Cambridge International Examinations Cambridge International General Certificate of Secondary Education

	CANDIDATE NAME		
	CENTRE NUMBER	CANDIDATE NUMBER	
	BUSINESS STU	JDIES	0450/22
	Paper 2		May/June 2017
			1 hour 30 minutes
7	Candidates ans	wer on the Question Paper.	
ນ 	No Additional M	aterials are required.	
J			

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.

This document consists of 9 printed pages, 3 blank pages and 1 Insert.



1 (a) Identify two financial statements the directors will need to see before expanding CC. Explain why they will want to see each of these statements.

Financial statement 1:
Explanation:
Financial statement 2:
Explanation:
[8]

(b) Consider the following **three** factors that affect CC when importing all of its ingredients. Which is the most important factor when deciding whether to import ingredients? Justify your answer.

Exchange rate:	
Import tariffs:	
Delivery time:	
Conclusion:	

	Identify and explain two reasons why on-the-job training is important for new employees at CC.
I	Reason 1:
I	Explanation:
l	Reason 2:
I	Explanation:
	[8]

(b) Consider how the following **three** stakeholders will be affected by the introduction of a new automated production line at CC. Which stakeholder will be most affected by this decision? Justify your answer.

Employees:
Shareholders:
Donky
Bank:
Bank:
Bank:
Bank:
Conclusion:
Conclusion:

3 (a) Identify and explain one advantage and one disadvantage to CC if it changes to a public limited company. Advantage: Explanation: Disadvantage: Explanation:[8] (b) Refer to Appendix 2 and other information in the case.

Draw on the graph below the break-even output of Fizz Bomm if the variable cost is reduced to \$0.60.

Do you think this would be the best way for CC to gain the highest profit for Fizz Bomm? Justify your answer.



4 (a) Fizz Bomm is in the development stage of the product life cycle. Identify and explain four other stages of Fizz Bomm's product life cycle.

Stage 1:
Explanation:
Stage 2:
Explanation:
Stage 3:
Explanation:
Stage 4:
Explanation:
[8]

(b) Consider the suitability of the **three** elements of the marketing mix outlined for Fizz Bomm in Appendix 3. Recommend whether any of these elements should be changed. Justify your answer.

Price:
Promotion:
Place:
Recommendation:
[12]

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