Cambridge IGCSE

Cambridge Assessment International Education
Cambridge International General Certificate of Secondary Education

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

BUSINESS STUDIES **0450/23**

Paper 2 **May/June 2019**

1 hour 30 minutes

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 businesses described in this question paper are 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.

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

This document consists of **9** printed pages and **3** blank pages.

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[Turn over

1 **(a)** Identify and explain **two** reasons why the Government helped Peter start up his new business.

View solution

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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..... [8]

(b) Consider the following **three** pricing methods VC could use for its new products. Which method should Peter choose? Justify your answer.

View solution

Penetration pricing: .....

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Price skimming: .....

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Cost plus pricing: .....

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Recommendation: .....

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..... [12]

2 **(a)** Identify and explain **two** possible reasons for the failure of the business that Peter used to work for.

View solution

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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(b) Consider the following **three** ways Peter could recruit a new skilled worker. Recommend which would be the best way to use. Justify your answer.

View solution

Ask family and friends if they know someone suitable: .....

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Use a job vacancy website: .....

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Use a recruitment agency: .....

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Recommendation: .....

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..... [12]

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3 **(a)** Identify and explain **two** reasons why building customer relationships is important for VC.

View solution

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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(b) Consider how the following **three** factors can affect the accuracy of the questionnaire data. Which is the most important factor for achieving accurate results? Justify your answer.

View solution

Sample size: .....

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Location where questionnaire is carried out: .....

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Questions asked: .....

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Conclusion: .....

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..... [12]

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4 **(a)** Identify and explain **one** advantage and **one** disadvantage to VC of using job production.

View solution

Advantage: .....

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Explanation: .....

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Disadvantage: .....

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Explanation: .....

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..... [8]

(b) Using Appendix 3 and other information, consider whether Peter should be worried about VC's profitability. Justify your answer using profitability ratios.

View solution

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