Cambridge Assessment International Education

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CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

BUSINESS STUDIES **0450/13**

Paper 1 Short Answer and Data Response **May/June 2022**

1 hour 30 minutes

You must answer on the question paper.

No additional materials are needed.

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 [ ].

This document has **12** pages. Any blank pages are indicated.

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[Turn over

1 MTD manufactures specialist cleaning products including soap. Batch production is used. The business uses just-in-time inventory control. MTD took 18 months to develop its latest environmentally friendly cleaning product. The Marketing Manager has to decide on the packaging and method of promotion for this new product. She said: 'All our stakeholders, including pressure groups, are important. MTD wants to contribute to sustainable development.'

(a) Define 'pressure group'.

View solution

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(b) Identify **two** features of batch production.

View solution

Feature 1: .....

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Feature 2: .....

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(c) Outline **two** factors MTD should consider when deciding on the packaging for its new product.

View solution

Factor 1: .....

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Factor 2: .....

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(d) Explain **two** possible advantages to MTD of using just-in-time inventory control.

View solution

Advantage 1: .....

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Explanation: .....

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Advantage 2: .....

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Explanation: .....

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(e) Do you think using social media is the best way for a business to promote a new product? Justify your answer.

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2 TJM is a private limited company. It is a food retailer and has 450 shops. In 2021 TJM's revenue increased by $500 million. The Finance Director is analysing TJM's financial statements. An extract is shown in Table 2.1. The directors are planning to expand TJM by opening 20 new shops. TJM will have to carry out a recruitment and selection process for 400 new employees.

Table 2.1

Extract from TJM's financial statements for 2021 ($m)	
Non-current assets	400
Current assets	300
Current liabilities	240
Profit for the year	200

(a) Define 'revenue'.

View solution

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(b) Calculate working capital. Show your working.

View solution

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(c) Outline **two** advantages of TJM being a private limited company.

View solution

Advantage 1: .....

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Advantage 2: .....

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(d) Explain **two** possible reasons why profit might be important to TJM.

View solution

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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(e) Do you think an interview is the best way for a large business to select new employees? Justify your answer.

View solution

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3 Gareth is planning to start a car washing business using government support. He is analysing market research data to help him make important decisions about his business. Extracts from this data are shown in Figure 3.1 and Figure 3.2. Gareth said: 'I will need to set business objectives.' He plans to keep his business small. Gareth is worried about the possible effects of higher taxes.

Do you have a car?

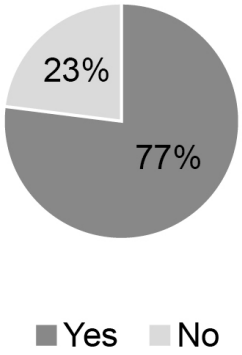

Fig. 3.1

Average price paid for a car wash

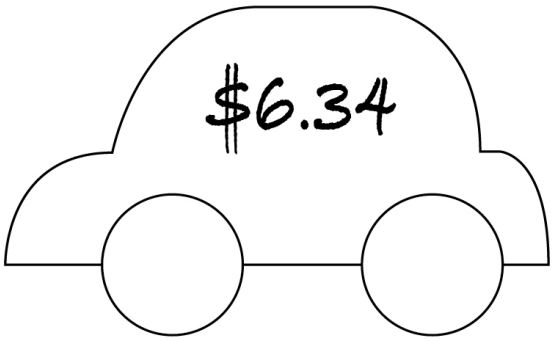

Fig. 3.2

(a) Identify **two** reasons why businesses need objectives.

View solution

Reason 1: .....

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Reason 2: .....

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(b) Identify **two** possible reasons why an owner might want their business to remain small.

View solution

Reason 1: .....

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Reason 2: .....

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(c) Outline **two** ways higher taxes might affect Gareth's business.

View solution

Way 1: .....

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Way 2: .....

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(d) Explain how the data shown in Figure 3.1 and Figure 3.2 could be useful to Gareth.

View solution

Figure 3.1: .....

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Figure 3.2: .....

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(e) Do you think offering financial help, such as grants, is the best way for a government to support business start-ups? Justify your answer.

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4 BCZ is a multinational company which operates in 12 countries. It manufactures cement, a building material used by construction companies, so quality assurance is important. Making cement creates external costs. One of BCZ's factories is located in country X. The government of country X plans to introduce new legal controls that will reduce the maximum number of working hours from 45 to 35 hours per week.

(a) Define 'external cost'.

View solution

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(b) State **two** responsibilities of a director.

View solution

Responsibility 1: .....

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Responsibility 2: .....

..... [2]

(c) Identify **four** potential benefits to a country's economy of a multinational company locating there.

View solution

Benefit 1: .....

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Benefit 2: .....

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Benefit 3: .....

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Benefit 4: .....

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(d) Explain **one** possible effect on BCZ and **one** possible effect on its employees of the new legal controls that will reduce the maximum number of working hours.

View solution

Effect on BCZ: .....

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Explanation: .....

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Effect on BCZ's employees: .....

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Explanation: .....

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(e) Do you think it is better for a large manufacturer to use quality assurance rather than quality control? Justify your answer.

View solution

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