Cambridge Assessment International Education

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CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

BUSINESS STUDIES **0450/21**

Paper 2 Case Study **May/June 2024**

1 hour 30 minutes

You must answer on the question paper.

You will need: Insert (enclosed)

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 [ ].
- The insert contains the case study.

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

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1 **(a)** Explain **two** drawbacks for EP of having a tall organisational structure.

View solution

Drawback 1: .....

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Explanation: .....

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Drawback 2: .....

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Explanation: .....

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..... [8]

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(b) Consider the following **two** ways EP could use to increase added value. Which way should EP use? Justify your answer.

View solution

- Increasing prices
- Reducing raw material costs

Increasing prices: .....

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Reducing raw material costs: .....

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Recommendation: .....

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2 **(a)** Explain **two** advantages and **two** disadvantages of using external recruitment to find EP's new manager.

View solution

Advantage 1: .....

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Advantage 2: .....

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Disadvantage 1: .....

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Disadvantage 2: .....

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(b) Consider the following **three** ways EP could use to increase the sales of its products. Which would be the best way for EP to use? Justify your answer.

View solution

- Advertising using social media
- Emailing special offers to existing customers
- Setting up a website

Advertising using social media: .....

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Emailing special offers to existing customers: .....

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Setting up a website: .....

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Recommendation: .....

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3 **(a)** Explain **four** reasons why consumer spending patterns for a product might change.

View solution

Reason 1: .....

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Reason 2: .....

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Reason 3: .....

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Reason 4: .....

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(b) Consider the following **two** ways EP could increase efficiency in its factory. Which would be the best way for EP to use? Justify your answer.

View solution

- Improving labour skills
- Introducing more automation and technology

Improving labour skills: .....

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Introducing more automation and technology: .....

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Recommendation: .....

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4 **(a)** Explain **two** factors EP should consider when choosing a source of finance.

View solution

Factor 1: .....

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Explanation: .....

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Factor 2: .....

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Explanation: .....

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(b) Using Appendix 3 and other information, consider the following **two** products EP makes. Which product should EP stop making? Justify your answer.

View solution

- Product A
- Product B

Product A: .....

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Product B: .....

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Recommendation: .....

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